PROSPECTUS

regarding the admission to trading of

EUR 130,000,000 senior secured floating rate bonds 2024/2028 issued by LR Health & Beauty SE

ISIN: NO0013149658

This prospectus was approved by the Swedish Financial Supervisory Authority on 26 February 2025.

The validity of this prospectus will expire within twelve (12) months after the date of its approval. The Issuer's obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.

Amounts payable under the Bonds (as defined herein) are calculated by reference to EURIBOR and EURIBOR constitutes a benchmark according to regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). The European Money Market Institute (EMMI) is the authorised administrator of EURIBOR. EURIBOR is considered compliant with the Benchmark Regulation and EMMI was added to the register for benchmark administrators maintained by the European Securities and Markets Authority (ESMA) in accordance with Article 36 of the Benchmark Regulation, meaning that EURIBOR as an interest basis may be used also after the end of the applicable Benchmark Regulation transitional period (i.e., after 1 January 2020).

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared by LR Health & Beauty SE, a Societas Europaea incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under registration number HRB 258262 (the "**Company**" or the "**Issuer**" and, together with its consolidated subsidiaries, "**LR Group**", "**LR**", the "**Group**", "**we**", "**us**", "**our**" or "**ourselves**"), in relation to the application for admission for trading of bonds issued under the Issuer's EUR 130,000,000 senior secured floating rate bonds 2024/2028 with ISIN NO0013149658 (the "**Bonds**"), issued on 4 March 2024 (the "**Issue Date**"), in accordance with the terms and conditions for the Bonds (the "**Terms and Conditions**" and the "**Bond Issue**", respectively) on the corporate bond list of Nasdaq Stockholm Aktiebolag ("**Nasdaq Stockholm**"). The Bonds were listed (*in den Handel einbezogen*) on the Open Market of Frankfurt Stock Exchange, under the trading name LR Health & Beauty SE 7,5% + EURIBOR 3M 24/28 in connection with the issuance of the Bonds. Concepts and terms defined in Section "*Terms and Conditions for the Bonds*" are used with the same meaning throughout the entire Prospectus unless otherwise explicitly understood from the context or otherwise defined in this Prospectus. For the avoidance of doubt, this Prospectus has been prepared solely in relation to the application for admission for trading of the Bonds on the corporate bond list of Nasdaq Stockholm. Pareto Securities AS, Frankfurt Branch and Arctic Securities AS have acted as joint bookrunners and Nordic Trustee Services AS has acted as paying agent.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). Furthermore, Annexes 6, 14 and 21 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the United States of America, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), nor any U.S. state securities laws, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the U.S. Securities Act), except for "Qualified Institutional Buyers" ("**QIB**") within the meaning of Rule 144A under the U.S. Securities Act. Bondholders located in the United States are not permitted to transfer Bonds except (i) subject to an effective registration statement under the U.S. Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) or (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act. Furthermore, the Company has not registered the Bonds under any other country's securities laws. It is the investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.
Unless otherwise explicitly stated, no financial information contained in this Prospectus has been audited or reviewed by the Issuer's auditors. Certain financial information in this Prospectus may have been rounded according to established commercial standards and, as a result, rounded figures may not add up to the aggregate amounts (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to "**EUR**" refer to Euro as the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Issuer's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Issuer believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in Section "*Risk factors*" below.

Certain amounts payable under the Bonds are calculated by reference to EURIBOR and EURIBOR constitutes a benchmark according to regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). The European Money Market Institute (EMMI) is the authorised administrator of EURIBOR. EURIBOR is considered compliant with the Benchmark Regulation and EMMI was added to the register for benchmark administrators maintained by the European Securities and Markets Authority (ESMA) in accordance with Article 36 of the Benchmark Regulation, meaning that EURIBOR as an interest basis may be used also after the end of the applicable Benchmark Regulation transitional period (i.e., after 1 January 2020).

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*). The Prospectus is available at the SFSA's website (www.fi.se) and the Issuer's website (ir.lrworld.com/en/).

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SUMMARY

Introduction and Warnings

Name and international securities identification number (ISIN) of the securities – This prospectus (the "**Prospectus**") relates to the issuance of the EUR 130,000,000 senior secured floating rate bonds 2024/2028 with ISIN NO0013149658 (the "**Bonds**") of LR Health & Beauty SE, issued on 4 March 2024 (the "**Issue Date**"), in accordance with the terms and conditions for the Bonds (the "**Terms and Conditions**" and the "**Bond Issue**", respectively).

Identity and contact details of the issuer, including its legal entity identifier (LEI) – The issuer of the Bonds is LR Health & Beauty SE, Kruppstraße 55, 59227 Ahlen, Federal Republic of Germany ("**Germany**") (telephone: +49 (0) 2382 7813-0; website: www.LRworld.com), a Societas Europaea incorporated under the laws of Germany, legal entity identifier ("**LEI**") 391200F0IS3RDVSU8A35, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany under registration number HRB 258262 (the "**Company**" or the "**Issuer**" and, together with its consolidated subsidiaries, "**LR Group**", "**LR**", the "**Group**", "**we**", "**us**", "**our**" or "**ourselves**").

Identity and contact details of the competent authority approving the Prospectus and date of the approval of the Prospectus – On 26 February 2025, the Swedish Financial Supervisory Authority (*Finansinspektionen*), Brunnsgatan 3, Box 7821, 103 97 Stockholm, Sweden, telephone: +46 (0) 8 408 980 00, approved this Prospectus.

Warnings – *This summary should be read as an introduction to the Prospectus. Every decision to invest in the Bonds should be based on the investors' consideration of the Prospectus as a whole. Investors in the Bonds may lose all or part of the invested capital. Where a claim relating to the Prospectus is brought before a court, the plaintiff may have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.*

Key Information on the Issuer

Who Is the Issuer of the Securities?

Issuer Information – The Company has its registered offices at Kruppstraße 55, 59227 Ahlen, Germany, and its corporate seat in Ahlen, Germany, and the LEI 391200F0IS3RDVSU8A35. As a Societas Europaea incorporated in Germany, the Company is subject to German law.

Principal Activities – We operate a digitally driven direct-to-consumer (D2C) social selling platform, distributing our health and beauty products in 32 countries across Europe, in Turkey, Kazakhstan and South Korea. Germany, France, Czech Republic and Poland being our core markets, we distribute the vast majority of our products to an engaged community of partners, which join our community to benefit from preferred pricing of our products and access to our bonus model that incentivizes partners to refer new potential customers to our product offering and also to become partners as part of our community and/or to be part of our marketing and product distribution by on-selling our products.

Major Shareholder – As of the date of this Prospectus, Aloco Holding S.à r.l. ("**Aloco**") with registered offices at 51, boulevard Grande-Duchesse Charlotte, 1331 Luxembourg, Grand Duchy of Luxembourg ("**Luxembourg**"), directly holds 100% of the shares in the Company. As of the date of this Prospectus, 100% of the shares in Aloco are owned by Aloco Holdings (Jersey) Limited, which in turn is wholly owned by Quadriga Capital IV Commerce Holding LP ("**Commerce Holding**"). Commerce Holding is managed by Commerce Europe Holding GP Limited as general partner. Project Artemis SCSp

("**Project Artemis**") holds 99.3% of the ownership units in Commerce Holding. Quadriga Capital IVa Co-Invest LP holds the remaining 0.7% of the ownership units in Commerce Holding. 74% of the ownership units in Project Artemis are held by Evoco Q Invest SCSp ("**Evoco Q Invest**"), and the remaining 26% of the ownership units are held by former limited partners of Quadriga Capital funds, comprising a large group of professional and institutional investors without any ultimate beneficial owner. Evoco TSE III SCSp, SICAV-RAIF ("**Evoco TSE III**") holds 82.9% of the ownership units in Evoco Q Invest, with other minority investors each holding less than 10% of the ownership units in Evoco Q Invest. No individual (indirectly) holds 25% or more in Evoco TSE III.

Controlling Shareholder – As of the date of this Prospectus, the Company is controlled by Aloco.

Management Board – The members of the management board (*Vorstände*) of the Company are Dr. Andreas Laabs (chief executive officer) and Andreas Grootz (General Manager).

Statutory Auditors – The Company's statutory auditor is Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Cecilienallee 6-7, 40474 Düsseldorf, Germany ("**Baker Tilly**").

What Is the Key Financial Information Regarding the Issuer?

The key financial information contained in the following tables as of 31 December 2022 and 31 December 2023 or relating to the financial years ended 31 December 2022 or 31 December 2023 derives from the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2022 and 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**"). The key financial information contained in the following tables as of 30 September 2024 or relating to the nine-month period ended 30 September 2024 derives from the Company's unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024, which does not represent a complete set of interim condensed consolidated financial statements in accordance with IFRS for interim financial reporting (IAS 34), or constitutes the Group's internal financial information.

Where financial information this Prospectus is labelled "audited" in tables, this financial information was taken from the Company's audited consolidated financial statements mentioned above. The label "unaudited" is used in tables of this Prospectus to indicate financial information that was taken from the Company's unaudited consolidated interim financial information mentioned above, or from the Company's accounting records or internal reporting systems or has been calculated based on figures from the above-mentioned sources.

Selected Data from the Consolidated Statement of Profit or Loss

	For the financial year ended 31 December		For the nine-month period ended 30 September	
	2023	2022	2024	2023
	(audited) (in EUR million)		(unaudited) (in EUR million)	
Profit or loss for the period	(0.9)	0.6	(9.9)	0

Selected Data from the Consolidated Balance Sheet / Statement of Financial Positions

	As of 31 December		As of 30 September
	2023	2022	2024
	(audited) (in EUR million)		(unaudited) (in EUR million)
Net financial debt[1]	183.5[2]	167.0[3]	192.8[4]

(1) Defined as non-current liabilities *plus* current liabilities *minus* cash.
(2) Comprising non-current liabilities from bonds and non-current lease liabilities, as presented in the relevant consolidated balance sheet of the Issuer.

(3) Comprising non-current liabilities from bonds and non-current lease liabilities, as presented in the relevant consolidated balance sheet of the Issuer.
(4) Comprising non-current liabilities from bonds and non-current lease liabilities, as presented in the relevant consolidated balance sheet of the Issuer.

Selected Data from the Consolidated Statement of Cash Flows

	For the financial year ended 31 December		For the nine-month period ended 30 September	
	2023	2022	2024	2023
	(audited) (in EUR million)		(unaudited) (in EUR million)	
Cash flow from operating activities	12.9	24.4	13.0	2.0
Cash flow from investing activities	(5.9)	(6.0)	(3.7)	(4.1)
Cash flow from financing activities	(23.0)	(10.2)	(19.7)	(16.8)

What Are the Key Risks that Are Specific to the Issuer?

- Approximately half of our revenue from the sales of goods is attributable to products manufactured and packaged in our facilities in Ahlen, Germany. Any material disruption of such facilities or the supply chain to such facilities may have material effects on our operations, financial position and earnings. A number of adverse developments have significantly increased the supply chain risk, in particular the introduction of legal supply chain due diligence requirements and the war between Russia and Ukraine with associated sanction packages.
- Key drivers for our future growth and business success are the number of new partners and improvement of selling rates of our partners. However, there is a risk that we do not manage to recruit and/or retain motivated and successful partners, which could adversely affect our business.
- We rely on strong demand for our products, which, in particular, depends on the performance of the economy in the European Economic Area. A number of adverse developments have significantly increased the risk of a severe recession which could adversely affect our business, in particular the economic and political conflict between the European Union and Russia and the possibility of military conflict, and the possible exit of one or more member states from the European Union such as Poland, Hungary and/or Italy.
- We operate in a highly competitive market characterized by a constant change in consumer trends sensitive to the introduction of new products and the potential entry of competitors. In order to keep up with such trends, to meet the needs of customers and to differentiate from potential competitors, new products and services must continually be developed and existing products and services improved.
- A majority of partners' and customers' orders are placed online through the Group's IT platform, and the Group is dependent on information systems to retain sales, to efficiently communicate with partners and to obtain information on customer behaviour and sales patterns in different markets.
- The Group's success depends to a certain extent upon brand recognition and the goodwill associated with the trademarks and trade names.
- Our organization is built around a number of individuals with many years of experience within the direct selling industry, product development, financing and marketing. The loss of any of the Group's key employees could hamper the Group's operations and have an adverse effect on its operations.
- We conduct operations in 32 countries across two continents and are thus exposed to changes in various laws, rules and regulations, including tax laws and competition laws. Due to the nature of our operations, we may be adversely affected by changes in laws and regulations, in particular those related to cosmetics, food safety competition rules and business structures.
- We are exposed to product liability or recall claims in the event that the use of our products results in, or is alleged to result in or have a likelihood of resulting in, bodily injury such as allergies, eczema or similar medical conditions.

- The adoption of new laws and ordinances and changes to existing accounting regulations, including international accounting rules, may lead to the Group needing to amend its procedures in relation to accounting, financial reporting and internal inspection.
- Doing direct business with many individuals, we process a significant amount of personal data protected by various data protection laws and regulations. We may face substantial fines if we fail to properly collect, use, transmit and store personal data in compliance with the applicable data protection laws and regulations.

Key Information on the Securities

What Are the Main Features of the Securities?

The Bonds constitute debt instruments (Sw. *skuldförbindelser*), each of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

The Bonds constitute direct, senior, unsubordinated and secured obligations of the Company, and shall at all times, rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unsubordinated and unsecured obligations of the Company, subject to those obligations which are mandatorily preferred by law, and except as otherwise provided in the finance documents entered into as part of transaction security for the Bonds. This means that a Bondholder will normally receive payment after any prioritised creditors' receipt of payment in full, in the event of the Company's liquidation, company reorganisation or bankruptcy/insolvency.

The Bonds bear interest from (and including) the first issue date (4 March 2024), up to (but excluding) the final maturity date (4 March 2028) or any relevant redemption date prior to the final maturity date. Interest on the Bonds is paid at a floating rate of EURIBOR plus seven point five (7.50) per cent. *per annum*, quarterly in arrears on 28/29 February (i.e., the last day of February, as applicable), 31 May, 31 August and 30 November in each year, or to the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention (all as defined in the Terms and Conditions).

As of the date of this Prospectus, the maximum amount of 130,000 Bonds has been issued. Further Bonds can only be issued with the consent of the Bondholders in accordance with Clause 18.4.2(a) of the Terms and Conditions. The initial nominal amount of each initial Bond is EUR 1,000 and the minimum permissible investment in connection with the issue of the Bonds is EUR 100,000. The ISIN of the Bonds is NO0013149658.

Where Will the Securities be Traded?

The Bonds will be admitted to trading on the corporate bond list of Nasdaq Stockholm Aktiebolag ("**Nasdaq Stockholm**" and "**Admission to Trading**", respectively) or, if such Admission to Trading is not possible to attain or obtain, at another regulated market (as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended). The Bonds have also been listed (*in den Handel einbezogen*) on the Open Market of Frankfurt Stock Exchange, which is a multilateral trading platform (MTF), in connection with the issuance of the Bonds.

Is There a Guarantee Attached to the Securities?

The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement ("**Guarantee Agreement**") entered into by, or through accessions by certain subsidiaries of the Issuer (the "**Guarantors**").

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under the Bonds as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that

has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ), i.e., the agent under the Bonds). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required) under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66) (Germany), LR Health & Beauty Systems Beteiligungs GmbH (Germany), LR Health & Beauty Systems GmbH (Germany), LR Partner Benefits GmbH (Germany), LR-International Beteiligungs GmbH (Germany), LR Deutschland GmbH (Germany), LR Health & Beauty Systems SAS (France), LR Jersey Holding Limited (Jersey), LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece), LR Health & Beauty Systems, s.r.o. (Czech Republic), LR Health & Beauty Systems, s.r.o. (Slovakia), and LR Health & Beauty Systems sp. z o.o. (Poland). None of the entities are required to have a LEI-code.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement.

In the decision of the SFSA made on 31 January 2025, the SFSA has granted an exemption from certain disclosure requirements regarding financial information. According to the decision, the Issuer is not required to disclose separate financial information regarding the Guarantors as otherwise required pursuant to Section 3 in Appendix 21 and Section 11.1 in Appendix 6, of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129. The exemption was granted based on the fact that the Guarantors are included in the Issuer's audited consolidated financial statements as of and for the financial years ended on 31 December 2022 and 2023 as well as the Issuer's unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024 that is relevant for the Issuer and that is incorporated into the Prospectus by reference, and stated in brief above.

Under the Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the credit facilities and hedging obligations would rank in priority over the holders of the Bonds

What Are the Key Risks that Are Specific to the Securities?

- The Issuer is a holding company and a significant part of the Issuer's assets and revenue relate to or are derived from the Issuer's subsidiaries. The Issuer is therefore dependent upon receipt of sufficient income related to the operation of and the ownership in such entities in order to make payments under the Bonds.
- Due to the nature of the Bonds, in the event of bankruptcy, re-organization or winding-up of the Issuer, the Bondholders normally receive payment after any priority creditors have been fully paid to the extent that the Bondholders' claim is not secured by and settled from the enforcement proceeds of the transaction security (consisting of pledges over shares and the guarantee pursuant to the Guarantee Agreement) for the Bonds (the "**Transaction Security**"). To the extent the Transaction Security relates to assets of subsidiaries of the Issuer, each security interest granted will be limited in scope to comply with limitations on financial assistance, capital maintenance rules or similar restrictions under applicable law. As a result, the security interest can only be enforced if and to the extent that such enforcement will not lead to a violation of these restrictions under corporate laws applicable to the relevant subsidiary. In

Germany, a GmbH is prohibited from distributing assets to its shareholders to the extent the amount of the GmbH's net assets is already less than or would fall below the amount of its stated share capital. Providing security for debt of a direct or indirect shareholder is considered a distribution to such shareholder. The Transaction Security may thus not be enforceable in the event of a default of the Issuer, or only be enforceable in part, which may limit the recovery of the Bondholders. Further, there is a risk that the proceeds from any enforcement of the Transaction Security would not be sufficient to satisfy all amounts then due on or in respect of the Bonds.

Key Information on the Admission to Trading on a Regulated Market

Under Which Conditions and Timetable Can I Invest in this Security?

Timetable – Application for Admission to Trading will be filed in immediate connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is at the latest 28 February 2025.

Total Expenses – The total expenses for the Admission to Trading are estimated to amount to approximately EUR 105,000.

Why Is this Prospectus Being Produced?

Reasons and Use of Issue Proceeds – This Prospectus has been prepared for the purpose of applying for admission of trading of the Bonds at Nasdaq Stockholm (or another regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended), which is a requirement from the Bondholders according to the Terms and Conditions.

The proceeds from the Bond Issue (after deduction for the fees paid by the Issuer to Pareto Securities AS, Frankfurt Branch and Arctic Securities AS ("**Joint Bookrunners**") for the services provided in relation to the Bond Issue and placement of the Bonds) were applied towards (i) repaying in full the then existing EUR 125,000,000 senior secured floating rate bonds 2021/2025 ISIN NO0010894850 issued by LR Global Holding GmbH; (ii) the payment of transaction costs, fees (including original issue discounts) and expenses in relation to the Bond Issue; and (iii) financing general corporate purposes of the Group.

Material Conflicts of Interest – The Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or other services for the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners and/or their affiliates having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

RISK FACTORS

*The purpose of this section is to enable a potential investor to assess the relevant risks related to its potential investment in the Bonds in order to make an informed investment decision. According to Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), the risk factors featured in a prospectus must be limited to risks that are specific to the issuer and/or to the securities and are material for taking an informed investment decision. Therefore, the following risks are only those risks that are specific to LR Health & Beauty SE (the "**Company**" or the "**Issuer**") and its consolidated subsidiaries (together with the Company, "**LR Group**", "**LR**", the "**Group**", "**we**", "**us**", "**our**" or "**ourselves**"), the markets in which it operates with its platform and to the Bonds and based on the Company's current assessment material for making an informed investment decision.*

The manner in which the Company and the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as "low", "medium" or "high" and the magnitude of negative impact if it would occur as "low", "medium" or "high". The most material risk factors in each category are presented first under that category.

Regardless of whether the Company has estimated the probability of a risk factor occurring or the expected magnitude of its negative impact as "low", "medium" or "high", all risk factors included in this section have been assessed to be material and specific to the Company and/or the Prospectus Regulation.

Risks Relating to the Group's Business Activities, the Industry and the Market

Risks relating to manufacturing facilities, supply chain, sales companies and sanctions

Approximately 55 percent of the Group's turnover is attributable to products manufactured and packaged in the Company's production facilities in Ahlen, Germany. The remaining products are supplied from third-party manufacturers. Significant unscheduled downtime at the Group's manufacturing facilities, or at the facilities of the Group's third-party manufacturers, due to equipment breakdowns, power failures, natural disasters, Pandemics (see risk factor "*Risks relating to the outbreak of pandemics and epidemics*"), insolvency, wars and conflicts or any other causes, could adversely affect the Group's ability to meet delivery requirements, in whole or in part, on time, or at all, potentially leading to loss of partners and end consumers, and accordingly have a significant impact on its operations, financial position and earnings. If the Group experiences any material shortages or delay in delivery of packaging materials, its ability to package and deliver finished goods to its points of sale may be adversely affected, and the Group's reputation and sales may suffer material damage. Further, the loss of multiple suppliers or a significant disruption or interruption in the supply chain (including with respect to the manufacturing facility in Ahlen and especially in regards to raw materials such as Aloe Vera and colostrum) could have a material adverse effect on the manufacturing and packaging of the Group's products. The Company assesses the probability of the occurrence of the abovementioned risks to be medium to high. If the risks were to occur, the Company considers the potential negative impact to be high.

This may be further enhanced by the Corporate Sustainability Due Diligence Directive (CSDDD), which sets out corporate sustainability obligations for companies. The new law will be broader in scope than the current applicable German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtgesetz*) – which is not applicable to LR at the time of these risk factors – and will require under certain circumstances even companies with 1,000 or more employees and a turnover of at least €450 million to carefully manage the social and environmental impacts of their entire supply chain. The companies concerned will have to fulfil certain corporate due diligence obligations along the supply chain and in relation to human rights and the environment. Once the EU legislation is adopted and implemented into national law, LR may also be affected and may need to review and resource its suppliers. This may result in a potential loss of current suppliers and the need to find new sources of supply. The

Company assesses the probability of the occurrence of the abovementioned risk to be high. If the risks were to occur, the Company considers the potential negative impact to be low to medium.

The supply chain risk has been increased further by the war between Russia and Ukraine ("**Russia-Ukraine War**"), which is ongoing since February 2022. Directly or indirectly, the Russia-Ukraine War, related sanctions and countersanctions as well as the termination or phasing out of trade and business relationships in various industries have led and may continue to lead to disruptions in supply chains, a significant surge in energy prices, price inflation that entails higher prices for raw materials and logistics services in general. As of the date of this Prospectus, the Group has also been affected by adverse changes to exchange rates affecting the Russian Ruble and by having to close down the Group's Ukrainian operations during a period due to safety reasons. In addition, changing climate conditions may have an impact on the cultivation of certain raw materials and on global logistics and transport costs. Although the Group produces a large amount at its own plant in Ahlen and does not consider itself to have an energy-intensive production, the Group may still face higher production and freight costs, which could lead to a reduced profitability and higher sales prices. There is a risk that the Group will not be able to pass on the price increases to its customers, in which case it may have a negative impact on sales volumes and margins.

It is likely that the current restrictions and the other negative effects from the Russia-Ukraine War described above will remain in place for some time and it cannot be ruled out that additional sanctions and restrictions will be introduced in the future or that the other negative effects from the Russia-Ukraine War will intensify. Therefore, the Company assesses the probability of the occurrence of the abovementioned risk to be high. If the risks were to materialise, the Company considers the potential negative impact to be medium to high.

In addition, the Group is currently represented by sales companies (*Vertriebsgesellschaften*) in both Ukraine and Russia, with the Russian company also being responsible for the Kazakhstan market. In aggregate, both companies contributed a total of 12.0% to the Group's total revenues in the 2023 financial year. The direct and indirect implications of the Russia-Ukraine War present a considerable risk for the further development of business in both countries. Since February 2022, a series of sanctions packages have been adopted on various goods and services, such as the import/export of goods. The currently applicable sanctions have been affecting LR (in particular the affected subsidiaries), mainly in terms of an increased regulatory burden, and may affect the Group to a greater extent in the future. These sanctions have been recently extended by the 12th sanctions package. Under this sanctions package especially the provision of certain services, the use of certain software and the provision of financing will be subject to approval by competent authorities from 20 June 2024 onwards. This includes, but is not limited to, auditing, accounting and advisory services, market research and advertising, as well as the provision of certain software and financing.

LR has checked its processes and touchpoints towards the Russian subsidiary in order to investigate and check to which extent services, software and financing support is rendered to its Russian subsidiary and which processes needed to be adopted (e.g. by stopping the services) or which services needed authorisations to comply with the sanctions as of 20 June 2024 and onwards. If the Russian subsidiary were required to source the sanctioned services, software and financing independently from LR this may increase the costs for such services and software which in turn might have an adverse effect on the profitability of the Russian subsidiary and the operations run by the Russian subsidiary. If the Russian subsidiary were unable to source sanctioned services, software and financing independently and an authorisation to have them provided by LR cannot be obtained in time, this could restrict the Russian subsidiary's ability to operate or even lead to its termination. It cannot be ruled out that the above-mentioned risks will further increase and ultimately lead to a termination of the Group's business in these markets or that similar risks will arise in the future in Ukraine's direct neighbour countries. Any of the above-mentioned circumstances related to the Russia-Ukraine War could have a material adverse effect on the net assets, financial position and operational results of the Group.

The Company is unable to predict what course the Russia-Ukraine War will take and what further impact it will have on the global economy. In order to prevent supply shortages caused by disruptions in supply chains the Group has gradually built up its inventories over the course of the 2023 financial year. However, it cannot be ruled out that price increases and supply chain problems or disruptions in business in these countries will increase. The

Company considers the potential negative impact on the Group to be medium to high. If the Russia-Ukraine War (including its direct and indirect implications on the global economy) continues for a longer period of time or is extended or intensified, requiring the termination of operations in the affected countries, further disruption to supply chains or further increases in energy costs, the Company considers the potential negative impact on the Group to be medium to high. The materialisation of any of the abovementioned risks could have an adverse effect on the Group's operations, financial position and earnings.

Risks relating to consumer preferences and industry trends

The Group operates in a market characterised by a constant change in consumer trends. In order to keep up with such trends, meet the needs of customers and to differentiate from potential competitors, new products and services must continually be developed and existing products and services improved. Further business development and the success of the business model are based on private demand and the competitiveness of the overall offer (product and business opportunities) on the market. The rapid and continuous emergence of new distribution channels, particularly in e-commerce, may create consumer price deflation, affecting the Company's customer relationships and presenting additional challenges to increasing prices in response to commodity and other cost increases. Furthermore, the cosmetics and wellness industry is characterized by rapid and frequent changes in demand for products and new product introductions and enhancements. Consumers choose to purchase cosmetics and wellness products based on numerous factors, including brand recognition, product quality and price and the extent to which they are educated on product benefits. In addition, consumers are increasingly focused on product ingredients from a health, safety, environmental and social impact (including human rights and diversity). A main driver for future growth is country and language-oriented optimisation of offers and the Company's future competitive position depends on the ability to adapt to changing customer preferences and to meet existing and future market needs. Failure to appropriately respond to changing consumer preferences and demand for new products or product enhancements could significantly harm the Company's relationships with sales partners and customers as well as product sales and thereby have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability that consumers will change their preferences to be high. However, the probability that the Group would fail to appropriately respond to such change in preferences is assessed to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to the outbreak of pandemics and epidemics

The outbreak of COVID-19, which the World Health Organisation, WHO, on 30 January 2020 declared a "Public Health Emergency of International Concern", has shown that the outbreak of global (health) crises such as pandemics, epidemics or other (health) crises of similar magnitude (all together referred to as "**Pandemic**") can have significant impact on the societies and markets in which the Group operates. In the case of the COVID-19 pandemic, this resulted, for example in reduced production, disrupted value and logistic chains, temporary and long-term redundancies, unemployment and decreased consumer demand. The impact of these and other factors could significantly impact consumer confidence and result in economic pressures on consumers, including reduced discretionary spending. A reduction in affordability caused by a prolonged recession could increase consumer down-trading (switching to a cheaper brand or category) and/or reduce personal consumption in individual markets (see risk factor "*Macroeconomic factors*"). Additionally, since personal contacts between the customer and the sales partners as well as incentive trips with sales partners, other sales seminars, conferences and meetings are an integral part of the Group's direct sales marketing strategy, in the event of a global crisis such as a Pandemic, the feasibility of the Group's business model may be severely impaired by the social distancing and other governmental restrictions and may result in short- or long-term changes in consumer behaviour (see risk factor "*Risks relating to consumer preferences and industry trends*").

The Company is unable to predict the outbreak or duration of such a Pandemic. Any significant disruption to the Group's operations or the operations of its customers could affect the Group's ability to manufacture and sell its products or increase the cost of its overall operations, any of which could have a material adverse effect on the

Group's reputation, business, results of operations, cash flows, financial condition or prospect. If the risk were to materialise, the Company considers the potential negative impact on the Group to be high.

Risks relating to trade name, brand recognition and adverse publicity

The Group's success depends to a certain extent upon brand recognition and the goodwill associated with the Company's trademarks and trade names. Reliance on the Group's brands makes the Group vulnerable to brand damage in a variety of ways. For example, the Group could become a victim of a product safety or other compliance issues, product tampering or contamination or brand dilution. Damage to the Group's brands could result in the loss of revenue associated with the affected brands and higher costs to address these circumstances, including those associated with any product recall events that may occur. The number of customers, sales partners and the results of the Group's operations may be significantly affected by the public's perception of the Group and similar companies. The Group's sales partners' and customers' perception of the safety and quality of the Group's products and ingredients as well as similar products and ingredients distributed by other companies can be significantly influenced by media attention, publicized scientific research or findings, widespread product liability claims and other publicity concerning the Group's products or ingredients or similar products or ingredients distributed by other companies, including sustainability aspects such as environmental impact or failure to respect human rights or social standards. The Group's ability to attract sales partners and to sustain and enhance sales through sales partners can be affected by adverse publicity or negative public perception of the Group's industry, the Group's competitors or the industry generally. Negative public perception may include negative publicity regarding the sales structure of significant network marketing companies and negative perception of the business practices or products of the Group's competitors or other direct selling or network marketing companies. There is also a risk that the Group's presence in Russia could render negative publicity for the Group in light of the ongoing Russia-Ukraine War, which in turn could result in a negative public perception of the Group (see risk factor "*Risks relating to manufacturing facilities, supply chain, sales companies and sanctions*"). The Group's success in maintaining, extending and expanding its brand image depends, in part, on its ability to adapt to a rapidly changing media environment. The growing use of social and digital media increases the speed and extent that information, including misinformation, and opinions can be shared. Negative posts or comments about the Group, its brands or suppliers and, in some cases, its competitors, on social or digital media, could lead (and did already lead, as past cases showed) to controversial discussions about the Group's distribution model, allegations about its own, or its sales partners', behaviour and, whether or not valid, could thus significantly damage the Group's brands and reputation. Furthermore, the Group may fail to invest sufficiently in maintaining, extending and expanding its brand image. If the Group does not successfully maintain, extend and expand its reputation or its brand image this could have an adverse effect on the Group's operations, financial position and earnings. The Group owns certain trademarks and trade name rights used in connection with the marketing and sale of its products. Nonetheless, the Group is, from time to time, subject to litigation or other proceeding relating to the defence of the Group's intellectual property rights, the costs of which (even if resolved in the Group's favour) could be substantial. Any adverse judgments with respect to such intellectual property rights could also negatively impact the Group's business and ability to compete. In addition, the laws of certain countries may provide significantly less protection for intellectual property rights than the laws of the member states of the European Union, which may increase the likelihood of third parties infringing the Group's proprietary or licensed intellectual property rights, which may dilute the brand value in the relevant marketplace.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium to high. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to competition

The business environment in which the Group operates is competitive, sensitive to the introduction of new products and characterised by constant changes in customer needs and entries of potential competitors.

The Group competes against cosmetics manufacturers that sell their products through retail channels, direct sales, online and mail order. Many of the Group's competitors are large multinational companies that have significantly

greater resources than the Group and with products that in certain markets benefit from significantly greater brand name recognition and consumer loyalty than the Group's products. There is further a risk that such competitors could use their relative financial superiority to engage in price pressure competition activities, carry out concentrated marketing schemes directed to the Group's target markets and that they would solicit and take over the Group's sales force, all of which would have an adverse effect on the Group's sales and cash flow. In addition, the Group's present and future competitors may be able to develop products that are comparable or superior in quality to those offered by the Company. This could cause the Group's sales or margins to decrease in these markets.

Although the industry in which the Group operates is not capital intensive or otherwise subject to high financial barriers of entry which may increase the likelihood of new entries, the main barrier to entry is the difficulty in building a proprietary sales force. Although, contrary to a company distributing its products via retail channels, there is no direct competition between different products, brands and offerings, when the consumer is making its decision to buy a product of the Group, the abovementioned risk factors could nonetheless have an effect on consumers choice of product across different offerings and result in increased competition which may have an adverse effect on the pricing of the Group's products as well as its sales volumes, thereby affecting its profitability and/or revenues.

The Company assesses the probability of the occurrence of new entries of competitors on the market to be medium to high. If the risk were to materialise, the Company considers the potential negative impact to be low to medium.

Risks relating to information technology systems

A majority of sales partners' and customers' orders are placed online through the Group's IT-platform and the Group is dependent on information systems to retain sales and efficiently communicating with sales partners and to obtain information on customer behaviour and sales patterns on different markets. Further, the Group conducts direct sales to end consumers through its webpage. Any significant unscheduled downtime of the Group's IT-systems, including ERP (Enterprise Resource Planning) system, as a result of system failures, data viruses, denial-of-service attacks or other causes could adversely affect the Group's operations, financial position and earnings. In the recent years an increase in attacks on IT-systems was generally observed in Germany. As these attacks were mainly focused on companies operating in the critical infrastructure sector, the Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to materialise, the Company considers the potential negative impact to be high.

Economic downturn as a result of risk accumulation

In 2018, the Group undertook a restructuring of its financial indebtedness due to financial difficulties resulting from a number of different negative effects on the business including a loss of key sales partners, lack of new product launches and a negative currency effect due to the sudden decline in the Turkish Lira. While the Company successfully restructured its debt, and believes it has addressed the relevant weaknesses in the business, there is always a risk that a similar situation may occur in future in the event that a number of the risks listed in this section occur simultaneously. If a financial restructuring is required in the future, this may result in the bondholders losing part or all of their investment in the Bonds.

The Company assesses the probability of the occurrence of the abovementioned risk to be low to medium. If the risk were to occur, the Company considers the potential impact to be high.

Risks relating to sales partners

Some of the Group's main drivers for future growth and business success are the number of new partners and improvement of selling rates. The Group currently has a sales force of approximately 260,000 people worldwide comprising of sales partners, premium customers and other customers (the "**Sales Force**"). The majority of the persons in the Sales Force are sales partners which have concluded partner contracts with the Group. However, the vast majority of such sales partners show consumer behaviour, e.g. by purchasing the Group's products for their own consumption, without recruiting new sales partners or reselling such products. The sales partners are

independent contractors who either purchase products directly from the Group to sell and deliver them directly to their customers or keep them for personal use. Inventory loading of sales partners is strictly forbidden. However, there is a risk, which the Company considers to be of low probability of occurring, that some sales partners engage in inventory loading in violation of the partner agreements, which could have an adverse effect on the perception of the Group's business model (see risk factor "*Risks relating to regulation*"). If the risk were to materialise, the Company considers the potential negative impact to be low to medium.

Further, the loss of high performing sales partners could adversely affect the growth and the performance of the network and the Company's overall sales. In order for the Group to increase sales it must increase the number of sales partners and customers or the productivity of the sales partners. Accordingly, it is important that the Group succeeds in recruiting new sales partners and customers as well as in retaining existing ones. The Group is subject to significant competition for the recruitment of sales partners from other direct selling organizations including those that market cosmetics, wellness and other types of products (see risk factor "*Risks relating to competition*"). Therefore, the Group must ensure that the business opportunities and compensation arrangements are attractive and in line with market levels and applicable legal requirements (see risk factor "*Pension risk of sales partners*"). If the Company is unsuccessful in the recruitment and retention of sales partners or is unable to compete effectively, the size and quality of the Sales Force could decline which would have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of losing sales partners who have recently concluded a contract with the Company (or any member of the Group) to be high. However, the probability of losing long-standing sales partners or any other materialisation of the abovementioned risks is assessed to be low. If the risks were to occur, the Company considers the potential negative impact to be high.

Risks relating to dependence on key personnel

The Group's organisation is built around a number of individuals with many years of experience within the direct selling industry, product development, financing and marketing. The loss of any of the Group's key employees could hamper the Group's operations and have an adverse effect on its operations. To a large extent, the Group's operations will be dependent on the Group's ability to attract and retain highly qualified management personnel, as well as personnel with expertise in sales and the Group faces competition for personnel from other companies (see risk factors "*Risks relating to sales partners*" and "*Risks relating to competition*"). If the Group is unsuccessful in its recruitment and retention efforts it could have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium.

Legal and Regulatory Risks

Risks relating to regulation

The Group currently operates in 32 countries, each of which employs different rules and regulations in regards to e.g. marketing and quality standards for cosmetics and food safety which affects the Group. Failure to comply with such rules and regulations as well as regulatory changes or changes in the law may result in existing or future licenses and authorizations to operate to be withdrawn or not granted in the future. In case of non-compliance, the Group may be subject to significant penalties or claims which may significantly affect the Group's ability to conduct its business. Further, the Group is subject to the risk that the Group's direct sales business model is viewed by a competent authority to have the characteristics of an illegal "pyramid" scheme and as a result be banned or severely restricted, in one or more jurisdictions or the EU as a whole. In particular, the Company considers that there is a risk that the Group's so-called lifestyle marketing strategy may be challenged or misinterpreted by competent authorities on the aforementioned basis. Since the vast majority of the countries where the Group operates as of today are members of the European Union, the Group is also subject to the risk that any change in e.g. harmonized consumer protection legislation or otherwise would affect the Group negatively on all such

markets. Further, the Group is from time to time party to disputes, regulatory proceedings and tax audits (see risk factors "*Tax risks*" and "*Claims relating to tax or other litigation*" and "*Pension risk of sales partners*") which could have a material adverse effect on the Group. For example, although this is to the Company's knowledge no longer the case, in the past there has existed a behaviour in the Group to require sales partners not to sell products below the recommended retail prices. In 2017, the Czech entity of the Group was subject to an investigation conducted by the competition authority in the Czech Republic due to claims of having made such instructions to Czech and Slovakian sales partners, which was settled by an agreement with the authority to pay an amount of roughly EUR 140,000. The Group's business model is continuously under review and from time to time amended by the Group in an effort to ensure compliance with regulatory requirements. However, the materialisation of such risks could adversely affect the Group's ability to conduct business in a particular market or in general and may adversely affect its overall business.

Other regulatory factors that could have an adverse effect on the Group are, but are not limited to:

- the imposition of legal, tax or financial burdens on the Group or its sales partners (including those associated with sustainability-related regulation, see also risk factor "*Risks relating to sustainability-related regulation*");
- a challenge to the status of the sales partners as independent contractors rather than employees or a change in employment laws or regulation, or social security regulations regarding independent contractors (see risk factor "*Pension risk of sales partners*");
- trade protection measures and import or export licensing;
- sanctions imposed as a result of the Russia-Ukraine War (see risk factor "*Risks relating to manufacturing facilities, supply chain, sales companies and sanctions*"); and
- unexpected changes in laws, regulations and administrative actions or court rulings, in particular as regards food and nutrition law (e.g. hydroxyanthracene derivates and cannabis included in certain of the Group's products, setting maximum levels of vitamins and minerals used in food and food supplements) or changes in regards to policies with which the Group or its suppliers must comply.

As regards foods containing cannabis and/or several applications as Novel Food are pending for assessment by EFSA. As the Group has launched a food supplement containing THC-free cannabis in Germany and Austria, there is a risk that the ingredient used might be classified as novel. Given the limited sales of such products, the Company considers the negative impact of the materialisation of the aforementioned risk to currently be low. However, if the sales were to increase, the negative impact could increase. As regards hydroxyanthracene derivates, which are substances which may be present in Aloe Vera preparations, the EU Commission has changed the annex III to regulation (EC) No 1925/2006, restricting the use of such Aloe Vera preparations containing these substances in foods. While there are no thresholds expressly mentioned in the annex or the regulation, the minutes of the consultation of the changes to the annex III contain clear thresholds that are (although not legally binding) likely to be applied; some competent food control authorities have followed this reasoning so far. LR is testing its products on a regular basis. Such regular tests have shown that hydroxyanthracene derivates (although contained in Aloe Vera nutrition products) cannot be identified with today's testing methods available to LR in LR's manufactured products and therefore must be substantially below the thresholds mentioned in the minutes. In 2023, approximately 35 percent of the Group's turnover were generated with Aloe Vera containing nutrition products. The EU Commission is in the process of establishing maximum levels for several vitamins and minerals used in food and food supplements, LR is closely following these developments.

If the Group fails to address these risks, it could have an adverse effect on the Group's operations, financial position and earnings due to loss of sales of some or all of the related products or even imposed penalties.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Pension risk of sales partners

The Group relies on its sales partners as an essential part of its business (see risk factor "*Risks relating to sales partners*"). German LR sales partners are independent contractors and therefore self-employed under German law. As a result, the Group is not responsible for the social security payments of these sales partners in Germany.

Sales partners may – as they have been in the past, e.g. in two cases known by the Group in 2011 und 2012 – from time to time be subject to an investigation of the German pension insurance (*Deutsche Rentenversicherung* – "DRV") regarding the question if pension payments are to be paid, even if they are considered as self-employed but work mainly for only one client. In the past and to the Groups best knowledge, DRV classified sales partners as self-employed without being subject to pension payments. In the recent past, the DRV classified one sales partner being subject to pension payments although self-employed alongside with the decision to pay pension for the past years. This case is currently in dispute (*Widerspruchsverfahren*) with the DRV. Two other Partners are currently investigated, but no decision has been issued so far.

If the dispute and possible following lawsuits come to the final conclusion, that the respective sales partner is subject to pension payments, this may affect the perceived attractiveness of LR's business model by the sales partners as they would earn less especially at lower income levels, and would therefore imposes a risk of losing sales partners (see risk factor "*Risks relating to sales partners*"). This would have a material adverse effect on the Group's operations, financial position and results of operations.

A comparable risk may arise if a general pension obligation were to be introduced for the self-employed, which has been discussed in various coalitions in Germany for several years but has not yet materialised.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Furthermore, there is a general risk when collaborating with independent contractors that they may be classified not as self-employed but as false-self-employed (*Scheinselbständige*) and therefore as employees. This classification would result in wide-ranging consequences such as, in particular additional labour costs, e.g. social security contributions (health insurance, unemployment insurance, pension payments), which would have to be paid by LR as well as (among others) the potential applicability of regulations on minimum wage (*Mindestlohn*), sick pay (*Lohnfortzahlung im Kranheitsfall*), protection against dismissal (*Kündigungsschutz*) and the German Supply Chain Due Diligence Act (L*ieferkettensorgfaltspflichtgesetz*), which would have an adverse effect on the Group's operations, financial position and earnings. While there are cases in which (independent) contractors were classified as employees because the respective parties deviated from the contractual stipulations, LR considers this risk to be low. The reason for this is, amongst others, that the sales partners are not dependent on instructions from LR (*Weisungsabhängig*) and are completely free in the way they plan and operate, which is in line with the independent status of independent contractors. However, if the risk were to materialise, the Company considers the potential negative impact to be high.

Risks relating to product liability

The Group could - as it already was in the past - be exposed to product liability or recall claims in the event that the use of its products results in, or is alleged to result in or have a likelihood of resulting in, bodily injury such as allergies, eczema or similar medical conditions. The Group has no control over the actual use to which the products are put, and the end consumer may use products inappropriately or in a manner that may lead to personal injury. There is a risk that any deficiencies in the products or the inappropriate use thereof may lead to product liability claims that result in reputational damage and require the Group to make significant cash payments. Hence, in the event a claim is successfully brought against the Group, it may result in an adverse effect on the Group's operating results and customer relations. Any product claim, whether or not successful, could also increase the Group's insurance premiums or negatively affect its reputation, resulting in a loss of customers or business. In addition, the Group's products may be rendered unfit for human use due to contamination of ingredients or due to illegal tampering. The occurrence of such problems may result in product recalls, which would cause serious damage to the Group's reputation and brand, as well as loss of revenue. In addition, adverse publicity about these types of concerns relating to the Group's brand or to the industry as a whole, whether or not legitimate, may

discourage consumers from purchasing the Group's products (see risk factor "*Risks relating to trade name, brand recognition and adverse publicity*"). If any of the risks would materialise, it could have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low to medium. If the risk were to occur, the Company considers the potential negative impact to be high.

Tax risks

The Group's international operations are conducted through a number of subsidiaries in various countries and accordingly the Group is hence exposed to risks in relation to transfer pricing. The Group is also subject to the risk that in some countries tax authorities will challenge the tax-deductibility of the Group's international bonus programme. The tax and transfer pricing strategies utilized by the Group are based on interpretations of current tax laws, treaties and regulations of the various countries involved and the requirements of the relevant tax authorities. Further, the Group regularly obtains advice in this regard from independent tax professionals. In the event that the Group's interpretation of these laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully assert conflicting claims over the ability to tax profits in the respective subsidiary or the Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's effective tax rate could increase and could adversely affect Group's financial position and earnings. Further, the Group is from time to time subject to tax audits. For example, the cost-deductibility of bonuses was challenged in Greece for the tax period 2010 and 2011. The audit was conducted and the local tax authorities approved the deductibility of all bonuses as costs for the period in question. The outcome of any future tax audits could, however, if an adverse ruling was received, have an adverse effect on the Group's financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risks in Germany and Austria to be low to medium but assesses the probability of the occurrence of said risks in other jurisdictions to be medium to high. If the risk were to occur, the impact would be high. If the risks were to occur, the Company considers the potential negative impact to be medium.

Risks relating to data protection

The Group collects, uses, transmits and stores personal data on information technology systems in the conduct of its business, in relation to its extensive partner and customer base, covering hundreds of thousands of individuals globally. Particularly within the European Union, data protection legislation is comprehensive and complex with a trend towards a more stringent enforcement of requirements regarding protection and confidentiality of personal data. Further, the various data protection authorities in the member states of the European Union may interpret the applicable legislation differently and data protection legislation is a dynamic field of law where applicable guidelines and previous precedents are often revised, sometimes with limited, if any, regard to legacy equipment or systems in use, all of which increase said complexity. In addition, a potential attack on the Group's IT systems could result in the loss of personal data (see risk factor "*Risks relating to information technology systems*").

Failure or partial failure to comply with data protection rules and regulations across the European Union could result in substantial fines of up to the higher of EUR 20 million and four percent of the Group's global annual turnover. Further, unauthorized access to information stored by the Group or by a third party on behalf of the Group, intentionally or accidentally, including failure to detect such access or to notify data subjects in a timely manner, may cause damage to the Group's reputation as a trusted partner, constitute a breach of administrative and criminal law and could entail that the affected persons are eligible for compensation for damages from the Group. In addition, the Group processes and transmits personal data in and to countries outside of the European Union which entails an increased legislative complexity and risk exposure, especially in the light of recent legal developments, including the European Court of Justice's ruling in the so-called Schrems II-case regarding transfer of personal data to third countries.

The Company assesses the probability of the occurrence of the abovementioned risks to be medium. If the risks were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to internal control

Given the Group's approximately 1,200 employees and a Sales Force of approx. of 260,000 individuals, it is difficult to directly control and monitor behaviour and sales practices. As a result, there is a risk that the Group's existing compliance processes and internal control systems may not be sufficient to prevent or detect all inappropriate practices, fraud, mistakes or violations of law by the Group's employees, contractors, agents, officers or any other persons who conduct business with or on behalf of the Group. The Group may in the future discover instances in which the Group has failed to comply with applicable laws and regulations or its internal controls and policies. Furthermore, human error could result in an interruption of the Group's operations if the Group's internal compliance systems does not detect such errors. If any of the Group's employees, contractors, sales partners, agents, officers or other persons with whom the Group conducts business engage in fraudulent, corrupt or other improper or unethical business practices or otherwise violate applicable laws, regulations or the Group's internal compliance systems, the Group's operations could be impaired and the Group could become subject to one or more enforcement actions by relevant authorities or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect the Group's reputation, business, financial condition and results of operations.

The Company assesses the probability of the occurrence of the abovementioned risks to be low to medium. If the risks were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to insurance issues

The Company utilises an external insurance broker in relation to the insurance coverage of the Group and potential adjustment requirements. The Group's insurance package covers inter alia business liability, business interruption, directors & officers (D&O) as well as accident insurance for Group employees. There is a risk that the Group's current insurance coverage does not cover all potential losses, regardless of the cause. Further, the scope of coverage that the Group can obtain may be limited, as may its ability to obtain coverage at reasonable rates. With respect to losses for which the Group is covered by its insurance policies, it may be difficult and/or time consuming to recover such losses from the insurers. In addition, the Group may not be able to recover the full amount from the insurer. The inability to recover all, or a large part, of any insured losses, or significant increases in premium, would be likely to result in unexpected costs and therefore reduced profitability for the Group.

The Company assesses the probability of the occurrence of the abovementioned risks to be low. If the risks were to occur, the Company considers the potential negative impact to be medium.

Claims relating to tax or other litigation

The Company is currently subject to two tax claims and two other litigation cases. The Company believes – based on the assessment of the case lawyers – that the chances of winning the tax cases and one of the litigation cases are quite reasonable whereas the chances of success in the other litigation case are lower.

In addition, there is a dormant subsidiary of the Group in Brazil which cannot be closed due to a legal judgement rendered in the early 2000s. The claimant has tried to enforce the judgement from time to time without success due to practicalities. As of 1 April 2019, the size of the claim was approximately BRL 4.67 million. The matter was dormant until the Brazilian court ruling was delivered to LR in Germany in August of 2023. This court ruling has not been enforced against LR and the Group, but it cannot be guaranteed that it will not in the future be enforced against the Group outside Brazil.

The Company considers the amounts of such existing claims to be immaterial individually. The Company has made no provisions for the tax cases in its financial accounts, and in the event that adverse rulings are received in relation to more than one, or all, of the claims in close proximity, the resulting extraordinary costs (including covering legal costs of the other parties) could have a negative effect on the liquidity of the Group.

The Company assesses the probability of the occurrence of the abovementioned risks to be low. If the risks were to occur, the Company considers the potential negative impact to be low to medium.

Changes to accounting regulations and the application thereof

The adoption of new laws and ordinances and changes to existing accounting regulations, including international accounting rules, may lead to the Group needing to amend its procedures in relation to accounting, financial reporting and internal inspection. Such changes may give rise to uncertainty, with a greater risk of the Company interpreting and applying relevant regulations incorrectly. In particular, the Group has, other than at consolidated group level, not fully implemented IFRS in its accounting and any such potential implementation in regards to the Company's subsidiaries may result in unforeseen difficulties or issues. The aforesaid could have a negative impact on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Environmental risks

The Group is subject to stringent laws and regulations relating to the environment, including air emissions, water discharges, waste management, health and workplace safety. Failure to comply with such laws and regulations could result in fines and other sanctions being imposed such as requirements on operational changes to limit pollution emissions and/or decrease the likelihood of accidental hazardous substance releases. Under certain environmental laws, liability for actions at contaminated sites, including buildings and other facilities, is strict, and in some cases, joint and several. The Group may be subject to potentially material liabilities relating to the investigation and clean-up of contaminated areas, including groundwater at properties now or formerly owned by, operated or used by the Group, and to claims alleging personal injury or damage to natural resources. In addition, new laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require the Group to incur costs or could become the basis of new or increased liabilities. The materialisation of any risk in relation to environmental regulation could have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Risks relating to sustainability-related regulation

As regulations on sustainability-related issues, such as packaging, use of plastics, responsible sourcing use of raw materials and recycling, CO2 emissions, respect for human rights, diversity and social and governance standards, are changing rapidly and stakeholder expectations on these issues are increasing, compliance with these regulations and expectations adds complexity and operational challenges for the Group, which may result in additional costs.

In particular, increasing sustainability-related regulation could require additional processes and reporting or changes to existing processes and reporting and thus result in the Group incurring additional costs and/or having to change its business activities in order to meet these requirements. Moreover, some sustainability-related regulation may directly lead to additional charges for the Group, for example in connection with potential costs for CO2 emissions.

There is also a risk, that the Group may be criticised for not taking sufficient action in relation to these issues, such as the Group's carbon footprint, gender ratio in the company etc. If the expectations of stakeholders are not met, consumer demand for the Group's products may decrease and consumers may stop buying the Group's products (see also risk factors "*Risks relating to consumer preferences and industry trends*" and "*Risks relating to trade name, brand recognition and adverse publicity*").

In addition, if the Group fails to comply with sustainability-related regulations, it may be subject to legal or regulatory action, fines and penalties or other sanctions (see also risk factor: "*Environmental risks*"). Any of these could have a material adverse effect on the Group's business, financial condition and results of operations.

The Company considers the probability of the above risk materialising to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Financial Risks

Interest expenses risk

The Group's interest bearing debt amounted to approximately EUR 131 million on 30 September 2024. Pursuant to the Terms and Conditions, the Group will also, subject to certain conditions, be permitted to incur further interest bearing debt under inter alia one or several credit facilities for working capital and general corporate purposes in an amount of up to EUR 15 million. A vast majority of the Group's interest bearing debt will run with a floating interest connected to EURIBOR.

Interest rates have historically fluctuated due to, and are in the future likely to be affected by, a number of different factors such as macroeconomic factors, inflation expectations and monetary policies. Furthermore, the high inflation during 2022 and 2023 prompted central banks throughout the world to increase interest rates and it cannot be guaranteed that further interest rate increases will not be implemented in the future. As the Group's interest bearing indebtedness will mainly accrue interest at floating rates, changes in interest rates could lead to increased interest expenses for the Group. For example, based on interest bearing debt in an amount of EUR 150 million, an increase in the interest rate by 1 per cent. would increase the Group's interest expenses by EUR 1.5 million. Should this risk materialise, it could have an adverse effect on Group's profit and financial position as its profit margins would decrease accordingly.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium to high. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Macroeconomic factors

Macroeconomic instability or a further downturn in the economies in which the Group operates, including any recession in one or more of the geographic regions or markets where the Group operates could adversely affect the Group's business and its access to liquidity and capital. Global economic events over the past years due to the COVID-19 pandemic (see risk factor "*Risks relating to the outbreak of pandemics and epidemics*") and the Russia-Ukraine War (see risk factor "*Risks relating to manufacturing facilities, sales companies, supply chain and sanctions*") have resulted in challenges to the Group's business. The Group could experience declines in revenues, profitability and cash flow due to returned orders, payment delays, supply chain disruptions or other factors caused by such economic, operational or business challenges. Any or all of these factors could potentially have a material adverse effect on the Group's liquidity, capital resources and credit ratings, including the Group's ability to access short-term financing. Any or all of these factors could also have a material adverse impact on the Group's ability to raise additional capital, maintain credit lines, and could reduce flexibility with respect to working capital.

In addition, consumer spending on cosmetics and wellness products is closely linked to general economic conditions and the availability of personal discretionary income. Decreased global or regional demand for cosmetics and wellness products can be especially pronounced during periods of economic recession or low levels of economic growth. Some of the economic factors influencing consumer-spending behaviour include levels of unemployment, high inflation, deflation, real disposable income, interest rates, the availability of consumer credit, energy costs, gasoline prices and consumer perception of overall economic conditions and their own economic prospects - all of which are outside of the Group's control. If the current economic situation globally or in an individual country in which the Group operates were adversely affected (e.g. to a worsening of the effects of the Russia-Ukraine War), companies that compete in the cosmetic and wellness products business, including the Group, may experience sustained periods of decline in sales, profits and growth during such an economic downturn. Any material decline in the amount of consumers' discretionary spending on cosmetics or wellness products would have an adverse effect on the Group's financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Risks relating to currency fluctuations

The Group conducts a significant part of its operations in foreign subsidiaries and several subsidiaries do not utilize the Group's reporting currency, EUR, in their operations and financial reporting. Currently, approximately 13 percent of the Group's business is conducted in markets with so-called "soft currencies" such as the Russian Ruble, Ukrainian Grivna and the Turkish Lira. Further, certain of the Group's suppliers deliver goods and services to the Group on a USD basis. For example, the Group has since the outbreak of the Russia-Ukraine War been adversely affected by changes in exchange rate in respect of the Russian Ruble. Accordingly, the Group is subject to currency translation exposure and fluctuations in exchange rates between the EUR and local currencies which could have, and historically has had, an adverse effect on the Group's financial position and earnings (see risk factor "*Economic downturn as a result of risk accumulation*").

The Company assesses the probability of the occurrence of the abovementioned risk to currently be high, however, the risk may increase in the future if the Group enters into new markets with so called soft currencies. If the risk were to occur, the Company considers the potential negative impact to be medium.

Credit risks

The Group is subject to credit risks relating to its sales partners and direct customers. A majority of the Group's sales partners are small-scale entrepreneurs with varying credit profiles and a decrease in their ability to meet payment obligations due to e.g. macroeconomic instability (see risk factor "*Macroeconomic factors*") could have an adverse effect on the Company's financial position and earnings. In addition, the Group is from time to time exposed to cases of credit card fraud in connection with purchases of the Group's products, which can result in credit losses for the Group.

The Company assesses the probability of the occurrence of the abovementioned credit risk in relation to sales partners to be low but that the probability significantly increases in the event of a materially deteriorated macroeconomic development. If the risk were to occur, the Company considers the potential negative impact to be low. With regards to credit card frauds, the Company assesses the probability of the occurrence of the risk to be medium to high. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Risks Relating to the Bonds

The Bondholders will not be entitled to take enforcement action in respect of the Transaction Security, except through the Agent, and the Transaction Security will be subject to certain limitations on enforcement, and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability

The obligations under the Bonds and certain other obligations of the Group to the holders of the Bonds (the "**Bondholders**") will, in addition to the guarantees to be provided by the Guarantors (as defined in the Terms and Conditions) (the "**Guarantees**") be secured by, (i) first priority pledge over the shares and interests (as applicable) in the Guarantors, (ii) first priority security over certain material and long-term intragroup loans and shareholder debt, (iii) first priority pledges over certain bank accounts located in Germany of the Company and the Guarantors, (iv) a German law security transfer of inventory located in the Group's warehouse in Germany, and (v) material trademarks of the Group, in each case subject to the Agreed Security Principle (as defined in the Terms and Conditions) and together the "**Transaction Security**"). Certain Transaction Security and Guarantees shall be executed, granted and/or perfected after the issue date for the Bonds and the release from the pledged escrow account of the net proceeds from the issuance of the Bonds. Until such measures have been taken, the Bondholders' position as regards the Transaction Security and the Guarantees will be limited (as applicable).

The Bondholders will be represented by Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, or another party replacing it, as agent, in accordance with the Terms and Conditions, as agent (the "**Agent**") in all matters relating to the Transaction Security. There is a risk that the Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security. Further, the Transaction Security will be subject to certain hardening periods (as regards any claw back risks under the relevant insolvency or bankruptcy regime) during which times the Bondholders do not fully, or at all, benefit from the Transaction Security. The Transaction Security will provide that, to the extent permitted by applicable law, only the Agent will have the right to enforce the Transaction Security on behalf of the Bondholders. As a consequence of such contractual provisions, Bondholders will not be entitled to take enforcement action in respect of the Transaction Security, except through the Agent. Accordingly, in case the Agent does not perform its obligations towards the Bondholders in case of an enforcement of the Transaction Security, the realizable value of the Transaction may be considerably lower than the corresponding secured obligations under the Bonds.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Transaction Security will secure "parallel debt" obligations created under the relevant Senior Finance Document (as defined in the Terms and Conditions) in favour of the Agent (and not the obligations under the Bonds and the Guarantees). The parallel debt construct has not been fully tested under law in certain of these jurisdictions, and the Transaction Security will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.

In Germany, a GmbH is prohibited from distributing assets to its shareholders to the extent the amount of the GmbH's net assets is already less than or would fall below the amount of its stated share capital. Providing security for debt of a direct or indirect shareholder is considered a distribution to such shareholder. The Transaction Security may thus not be enforceable in the event of a default of the Issuer, or only be enforceable in part, which may limit the recovery of the Bondholders.

The Agent will be entitled to enter into agreements with members of the Group or third parties, or to take any other action necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling, among other things, the Bondholders' rights to the Transaction Security. This may result in a loss of rights for the Bondholders.

The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)

If a Group company whose shares are pledged in favour of the Bondholders is subject to foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative proceedings or other bankruptcy or insolvency proceedings the shares that are pledged as part of the Transaction Security may be of limited value, since all of its obligations first must be satisfied, potentially leaving few or no remaining assets in the Group company. As a result, the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale) of such pledged shares. Moreover, the value of the Transaction Security may decline over time. If the proceeds of an enforcement sale are not sufficient to repay all amounts due, on, or in respect of the Bonds, the Bondholders will only have an unsecured claim against the remaining assets (if any) in the Company and the Guarantors for the amounts which remain outstanding on, or in respect of, the Bonds. In relation to unsecured claims, under the relevant bankruptcy law in such country (which differs in each jurisdiction), certain debts and claims must be paid in priority to other debts and claims (for example, costs and expenses of a liquidator, certain payments to employees and/or tax claims (as applicable)).

The value of any intragroup loans and shareholder debt that are subject to the Transaction Security in favour of the Bondholders is largely dependent on the relevant debtor's ability to repay such intragroup loan and/or shareholder debt. Should the relevant debtor be unable to repay debt obligations upon enforcement of pledge over the intragroup loans and/or shareholder debt, the Bondholders may not recover the full value of the security granted under such intra-group loans and/or shareholder debt (see also in that respect risk factor *"The security or*

guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues").

Certain Group companies will grant security in favour of the Bondholders over inventory located in the Group's warehouse(s) in Germany. The value of such security is dependent on the value of the secured asset and the ability to profitably sell or otherwise dispose of or otherwise foreclose on such assets following enforcement. It is difficult to assess and predict the future value of such underlying assets, which is affected by several factors. If the value of the assets decline, or turn out to be less than expected, there is a risk that the Bondholders may not receive the proceeds expected following enforcement, or any proceeds at all.

The Bondholders' entitlement to recovery may be limited in the event of insolvency of a Guarantor or a subsidiary of the Company

The Terms and Conditions will include a "negative pledge" undertaking, meaning that there will be a general restriction on the Company's and the Group's ability to provide, prolong or renew any security over any of its assets. However, the Company may, under certain circumstances, and up to certain amounts, grant security to other lenders of the Company or the Group, which would not necessarily also secure the Bonds. Security granted to other lenders could therefore have an adverse effect on the security position of the Bondholders, and consequently, the Bondholders' recovery in connection with an enforcement of the Transaction Security.

The Bonds will constitute direct, senior, unsubordinated and secured obligations of the Company, and shall at all times, rank pari passu and without any preference among them, and at least pari passu with all other direct, unsubordinated and unsecured obligations of the Company, subject to those obligations which are mandatorily preferred by law and any intercreditor agreement entered into in accordance with the Terms and Conditions (see also in that respect risk factor "*Risks related to incurrence of additional debt and shared security and guarantee package*"). This means that a Bondholder will normally receive payment after any prioritised creditors' receipt of payment in full, in the event of the Company's liquidation, company reorganisation or bankruptcy/insolvency. Every investor should be aware that by investing in the Bonds, it risks losing the entire, or parts of, its investment in the event of the Company's or Group companies' liquidation, bankruptcy/insolvency or company reorganisation.

The Bonds will constitute structurally-subordinated liabilities of the Company's subsidiaries, which have not acceded as Guarantors in respect of the Bonds, meaning that creditors' claims against such subsidiary may be entitled to payment out of the assets of such subsidiary before the Company. The subsidiaries are legally-separate entities and distinct from the Company, and have no obligation to settle or fulfil the Company's obligations, other than to the extent that follows from security agreements and/or Guarantees to which the subsidiaries are parties. In the event of insolvency of a subsidiary, there is a risk that the Company and its assets are affected by the actions of the creditors of a subsidiary. The insolvency of the subsidiaries may affect the financial position of the Company negatively, and adversely impact the Company's ability to make payments under the Bonds or the ability of Bondholders to recover the full amount of their investment in the Bonds.

The Bondholders will benefit from the Guarantees provided by the Guarantors. In the event of insolvency, liquidation or a similar event relating to one of the Guarantors, all other creditors of such subsidiary would be entitled to be paid out of the assets of such subsidiary with the same priority as the Bondholders (see also in that respect the risk factor "*The security or guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues*").

Upon the occurrence of an insolvency event in respect of a subsidiary, which is not a Guarantor, an entity within the Group (i.e. the shareholder of the relevant subsidiary and, directly or indirectly, the Company), or the Bondholders with Transaction Security consisting of the shares in such subsidiary, would not be entitled to any payments until the other creditors have received payment in full for their claims. The Bonds will, in the latter case, be structurally subordinated to the liabilities of such subsidiaries, to the extent there is no provision for a prioritised position.

Further, the Group operates in various jurisdictions, and in the event of bankruptcy, insolvency liquidation, dissolution, reorganisation or similar proceedings involving the Company, or any of its subsidiaries, bankruptcy

laws, other than those of Germany or Sweden, could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict, and could, therefore, have a material and adverse effect on the potential recovery in such proceedings. It should further be noted, that based on the initial Transaction Security to be provided on the issue date of the Bonds, insolvency proceedings would likely take place in Germany, under German law.

To the extent that the Company, and/or the Group companies, which owns the warehouse file for insolvency proceedings in Germany, there will be no enforcement actions, but the German insolvency regime will have priority with respect to the realization of the secured assets. In Germany, that means that the Bondholders will remain secured creditors, and the German insolvency administrator (or the debtor in possession) has the right to sell those "secured" assets and will invoice a so-called determination and realisation fee in the total amount of up to 9% of the received proceeds for his broker services.

The right of a creditor to preferred satisfaction may not necessarily prevent an insolvency administrator, liquidator (or similar) from using a movable asset that is subject to this right. The insolvency administrator must, however, compensate the creditor for any loss of value resulting from such use.

Risks related to incurrence of additional debt and shared security and guarantee package

Under the Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the credit facilities and hedging obligations would rank in priority over the holders of the Bonds. Hence, certain other secured creditors may have higher ranking right to the proceeds of an enforcement of the Transaction Security or the Guarantees and the bondholders' recovery from an enforcement may therefore be substantially reduced. Furthermore, the intercreditor agreement may (if entered into) include payment block provisions, which, under certain circumstances and for certain periods of time, prohibits payment of interest and principal under the Bonds if debt ranking senior to the Bonds have been accelerated or if certain defaults have occurred under such debt. At the date hereof, there are no intercreditor agreement negotiated and consequently there may be risks regarding the terms of the intercreditor agreement unknown today.

The security or guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues

In certain jurisdictions, when a limited liability company guarantees, or provides security for another party's obligations or subordinates any of its rights to the benefit of a third party, without deriving sufficient corporate benefit therefrom, the guarantee, security or subordination will only be effective if the consent of all shareholders of the grantor has been obtained, and to the extent the amount the company granting the security, providing the guarantee or undertaking to subordinate any rights could have distributed a dividend to its shareholders at the time the guarantee, security or subordination was provided (or as otherwise limited by local law). To the extent that a company does not obtain corporate benefit from the provided guarantee or security or subordination undertaking, or such rules apply in any case for upstream guarantees or financial assistance, such guarantee, security or subordination will be limited in value as stated above, and further limitations in respect of security, guarantees and/or subordinations may also exist under local law. For instance, the value of guarantees, security and subordination arrangements that will secure the Bonds may be reduced in certain jurisdictions by laws and regulations (including Germany) limiting a company's ability to provide financial assistance or securing obligations of foreign entities.

Consequently, the security or guarantee to be granted by a subsidiary of the Company could be limited in accordance with the aforesaid, which could have an adverse effect on the Bondholders' security position.

A German court may not recognize the choice of foreign laws, and may refuse to apply and/or to enforce provisions governed by foreign laws

The Transaction Security and the Guarantees are provided under various jurisdictions resulting in different legal rules and procedures being applicable. Although, the choice of EU and other foreign laws (e.g. Jersey) to govern the Transaction Security should be recognized by the competent courts of the Federal Republic of Germany in a dispute before a German court, the German court would generally recognize the choice of the substantive laws of such foreign jurisdiction only and would apply the laws of the Federal Republic of Germany with respect to procedural or other insolvency matters. Furthermore, a German court may refuse to apply and/or to enforce provisions governed by foreign laws, as it applies to the Senior Finance Documents (as defined in the Terms and Conditions), if the respective provisions are contrary to German public policy (ordre public) or mandatory provisions under German law, the law of another jurisdiction must be applied, regardless of the chosen law. Finally, a German court may not recognize the choice of foreign laws, if, or to the extent it is determined that, (i) the choice of foreign laws is made with respect to any rights in rem (dingliche Rechte), (ii) there is no substantial connection between the relevant agreement and the parties thereto, on the one hand, and the foreign law, on the other hand, or (iii) the choice of foreign laws was made to evade mandatory provisions or public-policy considerations of the laws of another jurisdiction.

As described above, the Transaction Security and the Guarantees are provided, and the Guarantors are incorporated, under the laws of various jurisdictions resulting in different legal rules and procedures being applicable. The risks relating to a court refusing to apply and/or enforce provisions governed by foreign laws, may thus be relevant in, not only Germany, but several other jurisdictions as well. This may result in certain Transaction Security being unenforceable or not enforceable at commercially reasonable terms. Additionally, multi-jurisdictional proceedings are typically complex and costly, and often result in substantial uncertainty and delay, in case of an enforcement of such respective Transaction Security. Consequently, in an event of default under the Bonds, the Transaction Security or parts thereof may not be realizable at a relevant value which may result in considerable losses for the Bondholders in an enforcement scenario.

The Transaction Security may be void due to initial excessive security

Pursuant to court rulings of the German Federal Court of Justice, the taking of initial excessive security (initial over-collateralisation, anfängliche Übersicherung) results in the relevant security arrangement being void. In order to ascertain whether an initial over-collateralisation is given, it is, pursuant to a court ruling of the German Federal Court of Justice, necessary to calculate the liquidation value of the security assets, which can be realised in the insolvency of the security grantor (realisierbarer Wert). While the German Federal Court of Justice does the calculation on a case by case basis, legal authors estimate that an initial over-collateralisation exists if the realisation value of the security amounts to more than 110% of the secured claim. It is a factual question whether the security granted under the relevant Transaction Security exceeds this limit. Therefore, whether the taking of security as part of establishing the Transaction Security has resulted in initial excessive security (initial over-collateralisation, anfängliche Übersicherung) may only be determined during court proceedings as part of enforcement of the Transaction Security. Consequently, if, in the event an enforcement of the Transaction Security or parts thereof, it is determined that the Transaction Security or parts thereof are void, such Transaction Security may be entirely or partially unenforceable. Consequently, the Transaction Security may not be realizable at a relevant value which may result in considerable losses for the Bondholders in an enforcement scenario.

The Company is a holding company with no direct cash-generating operations and relies on operating subsidiaries to provide it with funds necessary to meet its financial obligations

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these subsidiaries, as well as external funding to generate the funds necessary to meet its financial obligations, including payments under the Bonds. The ability of the Company's subsidiaries to make such distributions and other payments depends on their earnings and may

be subject to contractual or statutory limitations or the legal requirement of having distributable profit or distributable reserves. As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognized as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in, or other lien on their assets, and to any of their debt or other (lease) obligations that are senior to the Company's claims.

The current key financing of the Group relies upon refinancing of significant outstanding amounts at the end of the term of such financing

The Group will eventually be required to refinance certain or all of its outstanding debt, including the Bond, currently serving as the main source of financing for the Group. The Group's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time, as well as the willingness of financial institutions to lend. The Group's access to financing sources may not be available on favorable terms, or at all. The Group's inability to refinance its debt obligations, and, in particular the Bond, would be likely to result in an inability to repay its debt obligations when they become due. In particular, if the Bond is not repaid at maturity, this will result in a default under the terms of the Bond. As a consequence, the Company would most likely have to file for insolvency. The proceeds from the enforcement of the relevant security may not be sufficient to repay the Group's financing debt in full, which may result in the loss of a significant part, or all, of an investment in the Bonds (see also risk factors "*The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)*" and "*A change of control over the Company may result in the current key financing of the Group being repayable on short notice*").

A change of control over the Company may result in the current key financing of the Group being repayable on short notice

The Bondholders have a put option for 101% of the respective outstanding nominal amount in case of a Change of Control Event (as defined in the Terms and Conditions) in relation to the Company as issuer of the Bonds. Pursuant to the Terms and Conditions, no Change of Control Event will occur if, *inter alia*, the person gaining control is a Permitted Transferee, including for example a transferee approved by the Bondholders or a transferee that constitutes a Related Entity (each as defined in the Terms and Conditions).

There is a risk that there will be changes in the Company’s ownership structure that would result in a Change of Control Event and that a significant number of Bondholders, or even all of them, may decide to exercise their put option. Accordingly, if a significant number, or all of the bondholders, decide to exercise their put option, the Group may have to refinance up to 101% of the aggregate outstanding nominal together with accrued but unpaid interest and possibly significant transaction costs within a matter of approximately two months. Any inability of the Group to obtain such refinancing would likely result in the loss of a significant part, or all of an investment in the Bond (see also risk factors "*The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)*" and "*The current key financing of the Group relies upon refinancing of significant outstanding amounts at the end of the term of such financing*").

The floating interest rate and the market value of the Bonds may be affected by the level of general interest rate and regulatory changes to EURIBOR

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest. The Bonds will bear a floating rate interest of EURIBOR, plus a certain margin, and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that decreased general interest rate levels significantly affect the market value of the Bonds.

The determining interest rate benchmarks, such as EURIBOR has been subject to regulatory changes, such as the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial and contracts,

or to measure the performance of investment funds) (the "**BMR**"). The implementation of the BMR will lead to certain previously used benchmarks, such as LIBOR, being discontinued, leading to, inter alia, existing financing arrangements potentially needing to be renegotiated or terminated. There is a risk that also EURIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Bonds.

In accordance with the Terms and Conditions, EURIBOR may be replaced following certain events, e.g., if EURIBOR ceases to be calculated or administrated (defined in the Terms and Conditions as a Base Rate Event). Increased or altered regulatory requirements and risks associated with a replacement of EURIBOR following a Base Rate Event involve inherent risks, as the effects cannot be fully assessed at this point in time which could result in an adverse negative effect on an investment in the Bonds.

The market for trading in the Bonds may be illiquid, even if the Bonds are listed and/or admitted to trading

The Bonds are listed (*in den Handel einbezogen*) on the Open Market of the Frankfurt Stock Exchange and will, after their admission of trading, be listed on the Nasdaq Stockholm. However, even if securities, including the Bonds, are listed or admitted to trading, there is not always active trading in the securities, so there is a risk that the market for trading in the Bonds will be illiquid, even though the Bonds are listed and/or admitted to trading. In particular, with regard to that the Bonds are traded over-the-counter (OTC), there is a liquidity risk for smaller volume of trades. Therefore, the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. It should also be noted that during a given time period, it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market. A lack of liquidity in the market, may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative, compared to the market price of the Bonds if they are listed or admitted for trading.

An investment in the Bonds by an investor whose principal currency is not the Euro may be affected by exchange rate fluctuations

The Bonds are, and any interest to be paid in respect of them will be, denominated in Euro, and an investment in the Bonds by an investor whose principal currency is not the Euro, exposes the investor to foreign currency exchange rate risk. Accordingly, upon conversion of payments made under the Bonds to the Bondholders in Euro back into the principal currency of the relevant investor where the Euro has lost value relative to the principal currency of the respective investor at the time of conversion, the respective investor may even experience considerable losses despite full repayment of the principal amount (in Euro) and/or full payment of interest under the Bonds (in Euro).

RESPONSIBLE FOR THE INFORMATION IN THIS PROSPECTUS

The Company has obtained all necessary resolutions, authorisations and approvals required, in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 4 March 2024 was authorised by a shareholders' resolution on 26 January 2024, authorising the Issuer's members of the management board (*Vorstände*) (the "**Management Board**") to execute, deliver and perform the documents contemplated by the Bond Issue, including this Prospectus.

The Management Board is responsible for the information contained in this Prospectus. The Management Board confirms, that to the best of its knowledge, and having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus, is in accordance with the facts, and the Prospectus makes no omission likely to affect its import. The Management Board is responsible for the information given in this Prospectus only under the conditions, and, to the extent set forth in Swedish law.

The information in the Prospectus and in the documents incorporated by reference, which may derive from third parties, has been accurately reproduced, and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Regulation**"). The Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. The SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Ahlen on 26 February 2025

The Management Board of
LR Health & Beauty SE

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Bonds included under Section "*Terms and Conditions for the Bonds*", before a decision is made to invest in the Bonds.

General

Issuer	LR Health & Beauty SE, a Societas Europaea incorporated under the laws of Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under registration number HRB 258262.
Resolutions, authorisations and approvals	The Issuer's shareholder passed a shareholder's resolution approving the issue of the Bonds on 26 January 2024.
The Bonds offered	EUR 130,000,000 in an aggregate principal amount of senior-secured floating rate bonds due 4 March 2028.
Nature of the Bonds	The Bonds constitute debt instruments (Sw. *skuldförbindelser*), each of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).
Number of Bonds	As of the date of this Prospectus, the maximum amount of 130,000 Bonds has been issued. Further Bonds can only be issued with the consent of the Bondholders in accordance with Clause 18.4.2(a) of the Terms and Conditions.
ISIN	NO0013149658.
Issue Date	4 March 2024.
Issue Price	All Bonds are issued on a fully-paid basis at an issue price of ninety-six (96.0) per cent (%) of the Initial Nominal Amount (as defined below).
Interest Rate	Interest on the Bonds is paid at a base rate equal to the EURIBOR (3 months) plus seven point five (7.50) per cent. *per annum*, as adjusted by any application of Clause 20 *(Base Rate Replacement)* in the Terms and Conditions ("**Interest Rate**").
Use of benchmark	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to EURIBOR.
Interest Payment Dates	Interest payments for the preceding Interest Period will accrue on the last day of each Interest Period, the first Interest Payment Date being 31 May 2024 (long first Interest Period), and the last Interest Payment Date being the Final Redemption Date. Therefore, interest payments will, subject to adjustments in accordance with the Business Day Convention, accrue on 28/29 February (i.e., the last day of February, as applicable), 31 May, 31 August and 30 November in each year.
Final Maturity Date	4 March 2028.
Nominal Amount	The initial nominal amount of each initial Bond is EUR 1,000 ("**Initial Nominal Amount**") and the minimum permissible investment in connection with the issue of the Bonds is EUR 100,000.
Denomination	The Bonds are denominated in EUR.

Status of the Bonds.....	The Bonds constitute direct, senior, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference between themselves and at least *pari passu* with all direct, unsubordinated and unsecured obligations of the Issuer, subject to (A) obligations which are mandatorily preferred by law and (B) the Intercreditor Agreement (if entered into).
Use of Proceeds.....	The Issuer shall apply or has applied the Net Proceeds from the issue of the Bonds, towards: (a) repaying in full the Existing Bonds; and (b) payment of transaction costs, fees (including original issue discounts) and expenses in relation to the issue of the Bonds. Any remaining amount in respect of the Net Proceeds after application of the Net Proceeds in accordance with Clause 3.1 of the Terms and Conditions shall be applied towards financing general corporate purposes of the Group.

Call Option

Call Option	The Issuer may redeem the Bonds in accordance with Clause 11.3 (*Voluntary total redemption (call option)*) of the Terms and Conditions in whole, but not in part, on any CSD Business Day. Redemption is subject to different redemption amounts for each period in time (ranging from 104.000% to 100.500% of the Outstanding Nominal Amount of the Bonds together with accrued and unpaid interest. For further information, please refer to the Terms and Conditions. The Issuer may redeem the Bonds in accordance with and 11.6 (*Voluntary total redemption – Permitted Transferee Voting (call option)*) of the Terms and Conditions in whole, but not in part, if the Issuer has received a negative outcome in a Permitted Transferee Voting at a redemption amount of 105.000% of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest. For further information, please refer to the Terms and Conditions. If the Issuer shall incur Super Senior Debt (as defined in the Terms and Conditions) and it is necessary to decrease the Outstanding Nominal Amount under the Bonds in order to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness, the Issuer may carry out a partial prepayment of outstanding Bonds up to the amount necessary to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness (considering the amount to be paid out under the relevant Super Senior Debt and the reduction of the nominal amount of the Bonds needed to comply with such paragraph), and in any case not exceeding EUR 2,500,000, at price equal to 104.000% of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest, by way of reducing the nominal amount of each Bond *pro rata* in accordance with the procedures of the CSD. For further information, please refer to the Terms and Conditions.

Equity Claw Back

Equity Claw Back.....	Following an Equity Listing Event, the Issuer may on one occasion use the proceeds of such Equity Listing Event to repay up to thirty-five (35) per cent (%) of the Outstanding Nominal Amount of the Bonds, in accordance with Clause 11.4 (*Voluntary partial redemption (Equity Claw Back)*) of the Terms and Conditions. The repayment per Bond shall equal the price set out under

Clause 11.3 (*Voluntary total redemption (call option)*) for the relevant period in which the repayment occurs.

Put Option

Put Option	Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of forty-five (45) days from the effective date of a notice from the Issuer, have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent (%) of the Outstanding Nominal Amount together with accrued but unpaid Interest, in accordance with Clause 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) of the Terms and Conditions.
Change of Control Event.....	A Change of Control Event means: (a) at any time prior to an Equity Listing Event, the Investor ceases to have a Decisive Influence over the Issuer; and (b) upon and at any time following a successful Equity Listing Event, that any Person or group of Persons (other than the Investor or a Permitted Transferee) acting in concert acquire control, directly or indirectly, over more than fifty (50.00) per cent. of the shares or voting rights in the Issuer or a Decisive Influence over the Issuer, in each case provided that no Change of Control Event shall be deemed to occur if the change of Decisive Influence or control results from or in connection with (A) a transfer of ownership interests to one or several Person(s) which has been pre-approved by more than fifty (50.00) per cent. of the Bondholders voting in a Bondholders' meeting or written procedure, for which quorum exists only if Bondholders representing at least fifty (50.00) per cent. of the aggregate Outstanding Nominal Amount attend in due order ("**Permitted Transferee Voting**") or (B) a transfer of ownership interests to a Related Entity or the transformation (*Umwandlung*) and/or merger (*Verschmelzung*) of the Issuer into a Related Entity (each of the transferees referred to in paragraph (A) or (B) above, for the purpose of this definition, a "**Permitted Transferee**").

Transaction Securities and Guarantees

Transaction Securities	As continuing security for the due and punctual fulfilment of the obligations under the Bonds, the Issuer has granted certain security interest ("**Transaction Security**"). Such Transaction Security includes the following German law governed security: • Share pledge agreement dated 28 February 2024 over the shares in (i) LR Global Holding GmbH, (ii) LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems GmbH, (iv) LR-International Beteiligungs GmbH, (v) LR Partner Benefits GmbH and (vi) LR Deutschland GmbH (the entities listed through (i) to (vi), the "**Pledged Companies**") between (a) the Company, (b) LR Global Holding GmbH, (c) LR Health & Beauty Systems GmbH and (d) LR-International Beteiligungs GmbH as pledgors, the Pledged Companies as pledged companies and Nordic Trustee & Agency AB (publ) as security agent and pledgee; • Security assignment agreement dated 4 March 2024 over current and future receivables between (i) Aloco Holding S.à r.l., (ii) the

Company, (iii) LR Global Holding GmbH, (iv) LR Health & Beauty Systems Beteiligungs GmbH and (v) LR Health & Beauty Systems GmbH and (vi) LR-International Beteiligungs GmbH as assignors and Nordic Trustee & Agency AB (publ) as security agent and assignee;

- Account pledge agreement dated 4 March 2024 over bank accounts between (i) the Company, (ii) LR Global Holding GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH, (iv) LR Health & Beauty Systems GmbH, (v) LR-International Beteiligungs GmbH, (vi) LR Partner Benefits GmbH and (vii) LR Deutschland GmbH as pledgors and Nordic Trustee & Agency AB (publ) as security agent and pledgee;
- Security transfer agreement dated 4 March 2024 regarding security transfer (*Sicherungsübereignung*) of certain present and future movable assets deposited in a security area at a warehouse, including (i) inventories of finished goods and products, (ii) unfinished goods and products, (iii) raw materials, (iv) supplies and (v) operating materials of LR Health & Beauty Systems GmbH (identified via certain asset lists, which are to be updated from time to time) between LR Health & Beauty Systems GmbH as transferor and Nordic Trustee & Agency AB (publ) as security agent and transferee;
- Security assignment agreement dated 4 March 2024 regarding trademarks of LR Health & Beauty Systems GmbH claims between LR Health & Beauty Systems GmbH as assignor and Nordic Trustee & Agency AB (publ) as security agent and assignee.

Furthermore, the Issuer has granted local law share security over the shares in the following subsidiaries, which also acceded as Guarantors to the Guarantee Agreement (as defined below):

- LR Jersey Holding Limited (Jersey);
- LR Health & Beauty Systems Single Member Limited Liability Company (Greece);
- LR Health & Beauty Systems SAS (France);
- LR Health & Beauty Systems sp. z o.o. (Poland);
- LR Health & Beauty Systems, s.r.o. (Czech Republic); and
- LR Health & Beauty Systems, s.r.o. (Slovakia).

Guarantees..... The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement ("**Guarantee Agreement**") entered into by, or through accessions by certain subsidiaries of the Issuer (the "**Guarantors**").

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under the Bonds as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ), i.e., the agent under the Bonds). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required)

under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66) (Germany), LR Health & Beauty Systems Beteiligungs GmbH (Germany), LR Health & Beauty Systems GmbH (Germany), LR Partner Benefits GmbH (Germany), LR-International Beteiligungs GmbH (Germany), LR Deutschland GmbH (Germany), LR Jersey Holding Limited (Jersey), LR Health & Beauty Systems SAS (France), LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece), LR Health & Beauty Systems, s.r.o. (Czech Republic), LR Health & Beauty Systems, s.r.o. (Slovakia), and LR Health & Beauty Systems sp. z o.o. (Poland). None of the entities are required to have a LEI-code.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement.

Intercreditor agreement ..... Under the Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the credit facilities and hedging obligations would rank in priority over the holders of the Bonds.

Undertakings

Certain undertakings ..... The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, *inter alia*:

- undertaking to meet the quarterly-performed Maintenance Test;
- certain information undertakings;
- restrictions on making distributions;
- restrictions on disposals of assets;
- restrictions in relation to incurring financial indebtedness (as specified in the Terms and Conditions);
- restrictions on making any substantial changes to the general nature of the business carried out by the Group; and
- restrictions on providing loans.

Each of these covenants is subject to significant exceptions and qualifications. Please refer to the Terms and Conditions for more information.

Miscellaneous

Transfer restrictions..... Subject to the applicable rules of the clearing system, the Bonds are freely transferable. However, the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

Credit rating	On 4 November 2024, the credit rating agency Scope Ratings GmbH has assigned the Company a credit rating (corporate rating) of BB- (outlook negative) and the Bonds were assigned a credit rating of BB- (senior secured debt rating).
Admission to trading	The Issuer ensures that: (a) the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably practicable and within sixty (60) days of the Issue Date, with an intention to complete such listing within thirty (30) days after the Issue Date; and (b) the Bonds, once listed on the Open Market of the Frankfurt Stock Exchange, remain listed on such exchange until the Bonds have been redeemed in full. Such listing was achieved in connection with the issuance of the Bonds. Further, the Issuer ensures that: (i) the Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or another Regulated Market within twelve (12) months of the Issue Date; and (ii) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue to be admitted to trading thereon, but no longer than up to, and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations (including any regulations preventing trading in the Bonds in close connection to the redemption thereof) of Nasdaq Stockholm (or any other applicable Regulated Market) and the CSD, subsist.
Representation of the Bondholders	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, with registered address P.O. Box 7329, SE-103 90 Stockholm, Sweden, is acting as Agent and in accordance with the Terms and Conditions. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions.
Governing law	The Bonds are governed by Swedish law.
Time-bar	The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.
Clearing and settlement	The Bonds are connected to the account-based system of Verdipapirssentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway. This means that the Bonds are registered on behalf of the Bondholders on a securities account. No physical Bonds have been or will be issued. Any payment or repayment to a Bondholder is made to such Person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant due date, by way of crediting the relevant amount to the bank account nominated by such Bondholder in connection with its Securities Account with the CSD.
Risk factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to Section "*Risk Factors*" for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

Legal and commercial name.....	LR Health & Beauty SE
Commercial register number	HRB 258262, commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany
LEI-code.....	391200F0IS3RDVSU8A35
Date and place of registration.....	29 July 2020
Date of incorporation.....	22 July 2020
Legal form	Societas Europaea
Jurisdiction and laws	Germany and the laws of Germany
Registered office	Ahlen
Head office and visiting address.....	Kruppstraße 55, 59227 Ahlen, Germany
Email	InvestorRelations@lrworld.com
Telephone.....	+49 (0) 2382 7813-0
Website.....	ir.lrworld.com/en/ (the information provided at the Issuer's or Group's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)
Operational objective	According to section 2.1 of its articles of association, the objects of the Issuer are to acquire, hold, sell and manage rights and interests in companies in Germany and abroad, as well as to acquire, hold, sell and manage other assets and to conduct all related transactions; to participate in the management of subsidiaries and affiliated companies and, in particular, to provide administrative and consulting services, primarily in the areas of accounting and reporting, personnel matters and in connection with the restructuring and financing of companies as well as the acquisition, management and sale of associated companies, with the exception of such activities that are subject to authorization by law; the company is also entitled to provide such services to third parties; and to grant and receive loans, bonds, other financing instruments and any type of collateral, both for its own purposes and for the purpose of supporting companies in which the company has a direct or indirect interest as well as affiliated companies.

History and Development

Below follows a timeline setting out some of the key events in the Group's history.

Year	Event
1985	• Foundation of LR-Cosmetic in Ahlen (Germany) as one of the pioneers of social selling in the German market.
1989	• The millionth bottle of perfume is sold.
1990-1994	• Establishment of the first international subsidiaries.
1995	• Launch of the LR Car Concept.

Year	Event
2015	• LR Group is awarded with the Astra Award of the European Direct Selling Association as the best direct sales company in Europe. • LR Group is the winner of the Company of the Year Award 2015 awarded by the European Direct Selling Association (Seldia).
2016-2018	• Construction of one of the most modern Aloe Vera production plants in Europe. • LR Group is awarded the Business Award of the city of Ahlen.
2019	• The Group enters the beauty food segment with the 5in1 Beauty Elixir for women. • LR Group is awarded with the German Brand Award 2019 by the German Brand Institute in the category "Beauty & Care" for the 5in1 Beauty Elixir.
2020	• LR Group is awarded with the German Brand Award 2020 by the German Brand Institute in the category "Health & Pharmaceuticals" for the LR LIFETAKT Night Master and a special mention for "LR" as "Product Brand of the Year".
2021	• Market entry in South Korea and the East Asian market. • LR Group is awarded the title of "Top 100 Innovator" by compamedia GmbH. • LR Global Holding GmbH issues EUR 125,000 million senior secured floating rate bonds. • LR Group is awarded second place in the category “Large Companies” in 2021, achieving the second strongest sales growth in this category in 2020.
2022	• Launch of the Zeitgard Pro Cosmetic Device. • Change in management: Dr. Andreas Laabs is appointed as new CEO of the Group.
2023	• Market entry in the United Kingdom. • Launch of LR Figuactive. • LR is awarded with the German Innovation Award 2023 for the Zeitgard Pro Cosmetic Device. • LR is awarded with the received the German Design Award 2023 for the Zeitgard Pro Cosmetic Device in the category “Bath and Wellness”.
2024	• The Issuer issues EUR 130,000 million senior secured floating rate bonds. • LR Group redeems in full LR Global Holding GmbH’s EUR 125,000 million senior secured floating rate bonds. • Launch of the product concept LR Health Mission. • Launch of LR Zeitgard Signature.

Business and Operations

We offer a product portfolio centered on two main product categories: (1) health, consisting of dietary supplements such as weight management and general wellbeing products, as well as nutritional additives, such as vitamins and minerals and immune system support products, and (2) beauty, consisting of personal care products such as cosmetics, make-up, fragrances and hygiene products. We operate a digitally-driven social commerce business selling our products under our well-established community brand "LR Health & Beauty" in 32 countries across Europe, in Turkey in Kazakhstan and in South Korea. Germany, France, Czech Republic and Poland are our core markets.

Our diversified portfolio comprises over 200 different health and beauty products that combine natural ingredients with scientific innovation, whereof Aloe Vera products are our best-selling product category The operational business, research and development of these products, as well as the production itself is mostly carried out at our

headquarters in Ahlen, Germany. We also operate our own modern production plant for Aloe Vera drinking gels in Ahlen, which was opened in 2018.

We distribute the vast majority of our products to an engaged community of partners, which join our community to benefit from preferred pricing of our products and access to our bonus model that incentivizes partners to refer new, potential customers to our product offering, and to also become partners as part of our community and/or to be part of our marketing and product distribution by on-selling our products. To be counted as part of our community, individuals who signed up as a "partner" through one of our sales partnership agreements have to have also made a purchase of LR products within the last 90 days ("**Partners**").

We market our high-quality health and beauty products directly to consumers without relying on retailers or third-party platforms and without any shelf-space limitation. Our Partners leverage their social networks such as Facebook, Instagram or TikTok, and their digital sphere of influence to promote LR's products and recruit new Partners. Many of our Partners act as micro-influencers for our products, i.e., using their strong digital presences by heavily interacting with their followers on social media, sharing our products and their experiences as part of their daily social media activities. Setting us apart from other companies marketing their products digitally, we leverage our Partners' social media interactions with their social network, but we do not pay for single posts of our Partners, and instead, reward our Partners for their successful referrals through bonuses on generated revenue from the sales of goods volume.

Our asset light business model provides us with direct consumer access, consumer data and market insights, all of which enable us to react quickly and cost-efficiently to changes in consumer trends and demand in our markets. Therefore, we can utilize the reach of our community of Partners network with a conversion-based model and without additional Partner acquisition costs.

Our business also benefits from the ongoing market digitalization and is attracting a growing number of young micro-influencers, with the number of new Partners under the age of 30 increasing. The demography of our community of Partners with younger, technologically-savvy Partners enables us to reap the benefits of the increasing digitalization, adapting quickly to changes in the fast-moving social media sphere and bringing our products to consumers through all available sales channels, which comprise our webshop shop.lrworld.com as our central online sales platform, product subscriptions by Partners on a regular basis, SMS orders at online events, direct-to-consumer sales by Partners, and other sales channels, e.g., phone, fax or email.

We have substantially increased our efforts regarding environmental, social and governance factors ("**ESG**") in recent years and have thereby significantly increased our ESG score, e.g., by reducing waste from our production, phasing out plastic scoops and the green plastic caps for our Aloe Vera drinking gels and the Mind Master drinks as well as installing a solar power plant at our manufacturing site in Ahlen, Germany.

We expect to finance our future activities from the cash flow generated by the ongoing business activities conducted by our direct and indirect subsidiaries.

Material Agreements

Transaction Security

As continuing security for the due and punctual fulfilment of the obligations under the Bonds, the Issuer has granted the following German law governed security:

- Share pledge agreement dated 28 February 2024 over the shares in (i) LR Global Holding GmbH, (ii) LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems GmbH, (iv) LR-International Beteiligungs GmbH, (v) LR Partner Benefits GmbH and (vi) LR Deutschland GmbH (the entities listed through (i) to (vi), the "**Pledged Companies**") between (a) the Company, (b) LR Global Holding GmbH, (c) LR Health & Beauty Systems GmbH and (d) LR-International Beteiligungs GmbH as pledgors, the Pledged Companies as pledged companies and Nordic Trustee & Agency AB (publ) as security agent and pledgee;

- Security assignment agreement dated 4 March 2024 over current and future receivables between (i) Aloco Holding S.à r.l., (ii) the Company, (iii) LR Global Holding GmbH, (iv) LR Health & Beauty Systems Beteiligungs GmbH and (v) LR Health & Beauty Systems GmbH and (vi) LR-International Beteiligungs GmbH as assignors and Nordic Trustee & Agency AB (publ) as security agent and assignee;
- Account pledge agreement dated 4 March 2024 over bank accounts between (i) the Company, (ii) LR Global Holding GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH, (iv) LR Health & Beauty Systems GmbH, (v) LR-International Beteiligungs GmbH, (vi) LR Partner Benefits GmbH and (vii) LR Deutschland GmbH as pledgors and Nordic Trustee & Agency AB (publ) as security agent and pledgee;
- Security transfer agreement dated 4 March 2024 regarding security transfer (*Sicherungsübereignung*) of certain present and future movable assets deposited in a security area at a warehouse, including (i) inventories of finished goods and products, (ii) unfinished goods and products, (iii) raw materials, (iv) supplies and (v) operating materials of LR Health & Beauty Systems GmbH (identified via certain asset lists, which are to be updated from time to time) between LR Health & Beauty Systems GmbH as transferor and Nordic Trustee & Agency AB (publ) as security agent and transferee;
- Security assignment agreement dated 4 March 2024 regarding trademarks of LR Health & Beauty Systems GmbH claims between LR Health & Beauty Systems GmbH as assignor and Nordic Trustee & Agency AB (publ) as security agent and assignee.

Furthermore, the Issuer has granted local law share security over the shares in the following subsidiaries, which also acceded as Guarantors to the Guarantee Agreement (as defined below):

- LR Jersey Holding Limited (Jersey);
- LR Health & Beauty Systems Single Member Limited Liability Company (Greece);
- LR Health & Beauty Systems SAS (France);
- LR Health & Beauty Systems sp. z o.o. (Poland);
- LR Health & Beauty Systems, s.r.o. (Czech Republic); and
- LR Health & Beauty Systems, s.r.o. (Slovakia).

Guarantee Agreement

The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement ("**Guarantee Agreement**") entered into by, or through accessions by certain subsidiaries of the Issuer (the "**Guarantors**").

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under the Bonds as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ), i.e., the agent under the Bonds). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required) under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66), LR Health & Beauty Systems Beteiligungs GmbH, LR Health & Beauty Systems GmbH, LR Partner Benefits GmbH, LR-International Beteiligungs GmbH, LR Deutschland GmbH, LR Jersey Holding Limited, Health & Beauty Systems SAS, LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ), LR Health & Beauty Systems, s.r.o., LR Health & Beauty Systems, s.r.o., and LR Health & Beauty Systems sp. z o.o.. None of the entities are required to have a LEI-code.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement.

Under the Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the credit facilities and hedging obligations would rank in priority over the holders of the Bonds.

Other Material Agreements

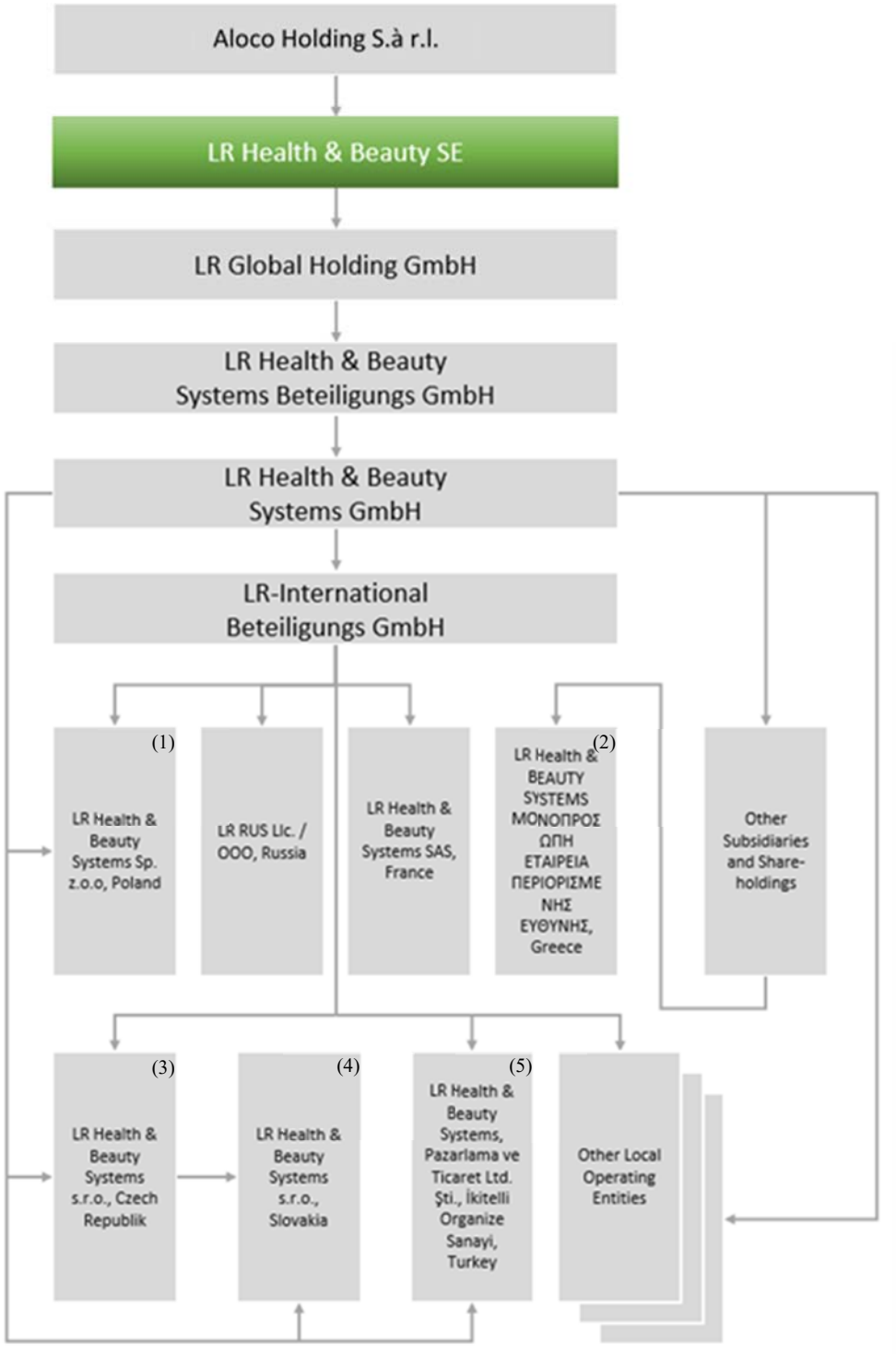
Other than the agreements set out above, neither the Company nor any other LR Group company has entered into any other material agreements that are not entered into in the ordinary course of its business, which could result in any Group company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders under the Terms and Conditions.

Overview of the Group

The business of the Group is conducted by the Issuer's various subsidiaries. As of the date of this Prospectus, the Group comprises 34 companies, 26 of which are local operating entities.

For the sake of completeness, the below chart also includes Aloco Holding S.à r.l. ("**Aloco**") as the Issuer's direct parent company.

The following chart shows the Group's current structure of consolidated companies comprising the Issuer (i.e., LR Health & Beauty SE) and the position of the Issuer within the Group:



(1) The Polish entity is 99.9% owned by LR-International Beteiligungs GmbH and 0.1% by LR Health & Beauty Systems GmbH.
(2) The Greek entity is 100% owned by LR Jersey Holding Limited, Jersey, which is 100% owned by LR Partner Benefits GmbH, which is 100% owned by LR Health and Beauty Systems GmbH.
(3) The Czech entity is 51% owned by LR-International Beteiligungs GmbH and 49% by LR Health & Beauty Systems GmbH.
(4) The Slovak entity is 11.3% owned by LR-International Beteiligungs GmbH and 88.7% by the Czech entity.
(5) The Turkish entity is 95% owned by LR-International Beteiligungs GmbH and 5% by LR Health & Beauty Systems GmbH.

All Guarantors, as per the date of this Prospectus, are direct or indirect subsidiaries of the Issuer and are part of the Group. All subsidiaries are wholly owned by the Issuer (directly or indirectly). The Issuer's main object is to be a holding company within the Group. The business operations of the Group are carried out by the Issuer's subsidiaries, including the Guarantors as described below.

Since the majority of the revenue of the Group is derived from the Issuer's operational subsidiaries, the Issuer is dependent upon its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

Guarantors

Background

The obligations under the Bonds are guaranteed by the Guarantors under a Guarantee Agreement. As of the date of this Prospectus, the Guarantors are:

- LR Global Holding GmbH (Germany)
- LR Health & Beauty Systems Beteiligungs GmbH (Germany)
- LR Health & Beauty Systems GmbH (Germany)
- LR Partner Benefits GmbH (Germany)
- LR-International Beteiligungs GmbH (Germany)
- LR Deutschland GmbH (Germany)
- LR Jersey Holding Limited (Jersey)
- LR Health & Beauty Systems SAS (France)
- LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece)
- LR Health & Beauty Systems, s.r.o. (Czech Republic)
- LR Health & Beauty Systems, s.r.o. (Slovakia)
- LR Health & Beauty Systems sp. z o.o. (Poland)

According to the Terms and Conditions, additional Group Companies should accede to the Guarantee Agreement as Guarantors insofar such Group Company is nominated as a Material Group Company pursuant to the Terms and Conditions, provided however that such Group Companies are not incorporated in Ukraine or Russia (each an "**Excluded Jurisdiction**"). Pursuant to the Terms and Conditions, Group Companies should be nominated as Material Group Companies insofar (i) such entities are Group Companies with earnings before interest, tax, depreciation and amortisation ("**EBITDA**", calculated as defined in the Terms and Conditions) representing five (5) per cent (%) (or, in the case of Group Companies incorporated in Turkey or Russia, ten (10) per cent (%)) or more of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo, as defined in the Terms and Conditions), and (ii) such entities are Group Companies (excluding any Group Company incorporated in an Excluded Jurisdiction) necessary to ensure that the Issuer and the other Group Companies previously nominated as Material Group Companies) in aggregate represent on an unconsolidated basis at least ninety (90) per cent (%) of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo and excluding any Group Company incorporated in an Excluded Jurisdiction, as defined in the Terms and Conditions).

Overview of the Guarantors

LR Global Holding GmbH

LR Global Holding GmbH is a limited liability company incorporated on 24 October 2012 under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany

(tel.: +49 (0) 2382 7658 0); registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster, Germany under registration number HRB 14367.

According to its articles of association, its share capital amounts to EUR 25,000 divided into 25,000 shares with a nominal value of EUR 1.00. The share capital is composed of ordinary shares. The holders of ordinary shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is wholly owned by the Issuer.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems Beteiligungs GmbH

LR Health & Beauty Systems Beteiligungs GmbH is a limited liability company incorporated on 25 January 2007 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 11089.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 2 shares, with a nominal value of EUR 25,000.00 (EUR 24,750.00 and EUR 250.00, respectively). The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per Euro per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Global Holding GmbH.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems GmbH

LR Health & Beauty Systems GmbH is a limited liability company incorporated on 6 October 2004 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 10011.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 25,000 shares, with a nominal value of EUR 25,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems Beteiligungs GmbH.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director), Thomas Heursen (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR Partner Benefits GmbH

LR Partner Benefits GmbH is a limited liability company incorporated on 22 March 1989 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8315.

According to its articles of association, its share capital amounts to EUR 26,000.00, divided into 26,000 shares, with a nominal value of EUR 26,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems GmbH.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR-International Beteiligungs GmbH

LR-International Beteiligungs GmbH is a limited liability company incorporated on 4 August 1998 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8109.

According to its articles of association, its share capital amounts to 100,000.00 Deutschemark, divided into 1 share, with a nominal value of 100,000.00 Deutschemark. The share capital is composed of one ordinary share. The holders of shares are entitled to one vote per each 100 Deutschemark of each share. The shares are denominated in Deutschemark. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems GmbH.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR Deutschland GmbH

LR Deutschland GmbH is a limited liability company incorporated on 16 January 2020 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 18676.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 25,000 shares, with a nominal value of EUR 25,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR-International Beteiligungs GmbH.

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director). For further information, please see Section "*Management Board*".

LR Jersey Holding Limited (Jersey)

LR Jersey Holding Limited is a limited liability company incorporated on 27 September 2017 in Jersey under the laws of Jersey with its domicile in St. Helier, Jersey, and its registered office at 3rd Floor, 44 Esplanade, St. Helier, JE4 9WG, Jersey (tel.: +44 1534 514183), registered with the Jersey Financial Services Commission (JFSC) Companies registry under registration number 124815.

According to its articles of association, its share capital amounts to 1 pound sterling, divided into 1 share, with a nominal value of 1 pound sterling. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The share is denominated in pound sterling. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Partner Benefits GmbH.

The executive management consists of Dr. Andreas Laabs (Director) and Andreas Grootz (Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems SAS (France)

LR Health & Beauty Systems SAS is a limited liability company incorporated on 20 December 2010 in France under the laws of France with its domicile in Caluire-et-Cuire, France, and its registered office at Cité Park - Bâtiment C, 23 avenue de Poumeyrol, 69300 Caluire-et-Cuire, France (tel.: +33 (0) 474 72 94 38), registered with

the register (*greffe*) of the commercial court (*tribunal de commerce*) Lyon under registration number 529 089 526 RCS Lyon.

According to its articles of association, its share capital amounts to EUR 10,000.00, divided into 1,000 shares, with a nominal value of EUR 10,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR-International Beteiligungs GmbH.

The executive management consists of LR-International Beteiligungs GmbH as president (*Président*) represented by Dr. Andreas Laabs, Andreas Grootz and Patrick Sostmann each as managing directors (*Geschäftsführer*). For further information, please see Section "*Management Board*".

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece)

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) is a limited liability company incorporated on 5 September 1994 in Greece under the laws of Greece with its domicile in Metamorfosi (Attika), Greece, and its registered office at Ermou 50, Metamorfosi 144 52, Greece (tel.: +30 (0) 210 2 85 14 15), registered with the general electronic commercial registry (*G.E.MI.*) under registry number 001682601000.

According to its articles of association, its share capital amounts to EUR 130,050.00, divided into 1,445 shares, with a nominal value of EUR 130,050.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Jersey Holding Limited.

The executive management consists of Babousis Vagis Antonios (Managing Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems, s.r.o. (Czech Republic)

LR Health & Beauty Systems, s.r.o. is a limited liability company incorporated on 23 December 2013 in the Czech Republic with identification no. (*IČO*) 024 86 512 under the laws of the Czech Republic with its domicile in Ostrava, Czech Republic, and its registered office in Závodní 1613/2, Hrabůvka, 700 30 Ostrava, Czech Republic (tel.: +420 (0) 59 578 31 31), registered in the Czech Commercial Register (*obchodní rejstřík*) maintained by the Regional Court (*krajský soud*) in Ostrava under file no. C 58017.

According to its articles of association, its registered capital amounts to 433,016,700.00 Czech koruna, divided into 2 ownership interests, with a registered capital of 433,016,700.00 Czech koruna. The holders of shares are entitled to a vote corresponding to their share in the registered capital represented by their respective capital contribution. The shares are denominated in Czech koruna. The Guarantor is indirectly owned by the Issuer and directly owned by LR-International Beteiligungs GmbH (51.0%) and LR Health & Beauty Systems GmbH (49.0%).

The executive management consists of Stefania Dzurillova (Managing Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems, s.r.o. (Slovakia)

LR Health & Beauty Systems, s.r.o. is a limited liability company incorporated on 10 June 1994 in Slovakia with identification no. (*IČO*) 31 380 506 under the laws of Slovakia with its domicile in Turzovka, Slovakia, and its registered office in Stred 422, Turzovka 023 54, Slovakia (tel.: +420 (0) 59 578 31 31), registered in the Slovak Commercial Register (*obchodný register*) maintained by the District Court (*okresný súd*) Žilina, under section Sro, file no. 10380/L.

According to its articles of association, its registered capital amounts to EUR 6.639,00, divided into 2 ownership interests, with a registered capital of EUR 6.639,00. The holders of shares are entitled to a vote corresponding to their share in the registered capital represented by their respective capital contribution. The Guarantor is indirectly owned by the Issuer and directly owned by LR Health & Beauty Systems, s.r.o. (Czech Republic) (88.7%) and LR Health & Beauty Systems GmbH (11.3%).

The executive management consists of Stefania Dzurillova (Managing Director). For further information, please see Section "*Management Board*".

LR Health & Beauty Systems sp. z o.o. (Poland)

LR Health & Beauty Systems sp. z o.o. is a limited liability company incorporated on 19 April 2004 in Poland under the laws of Poland with its domicile in Katowice, Poland, and its registered office in Katowice, at ul. Hutnicza 6, 40-241 Katowice, Poland (tel.: +48 (0) 32 351 12 50), whose file is kept by the District Court for the Katowice-Wschód in Katowice, VIII Commercial Department of the National Court Register, entered in the register of entrepreneurs of the National Court Register under registration number KRS 0000203244, REGON 27821918300000, NIP 9542474874.

According to its articles of association, its share capital amounts to 50,000.00 Polish złoty, divided into 1.000 shares, with a nominal value of 50,000.00 Polish złoty. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in Polish złoty. The Guarantor is indirectly owned by the Issuer and directly owned by LR-International Beteiligungs GmbH (99.9%) and LR Health & Beauty Systems GmbH (0.01%).

The executive management consists of Katarzyna Kantor (Managing Director). For further information, please see Section "*Management Board*".

Trend Information, Material Adverse Changes and Significant Changes

The seasonality in our revenue from the sales of goods is characterized by the third quarter of each financial year typically being impacted by the summer holiday season resulting in lower revenue from the sales of goods in this quarter as compared with the other quarters. Generally, our strongest months in revenue from the sales of goods are from October, the beginning of the Christmas season, until March the following year, followed by relative stagnation from April until June and a decrease in revenue from the sales of goods in July, August and September due to the holiday season, which usually results in a seasonal low in revenue from the sales of goods in this period.

Other than as described above, there has been no material adverse change in the prospects of the Issuer or any of the Guarantors since the date of the audited consolidated financial information of the Issuer as of 31 December 2023 nor any significant changes in the financial performance or financial position of the Group since the date of the unaudited consolidated interim financial information of the Issuer as of and for the nine-month period ended 30 September 2024.

There has been no significant changes of the Group's loan and financing structure since the end of the last financial year ended 31 December 2024.

Recent Events

There have been no recent events particular to the Group between 30 September 2024 and the date of this Prospectus, which are to a material extent relevant to the evaluation of the Group's solvency.

Governmental, Legal or Arbitration Proceedings

In the course of our business activities, we are exposed to numerous related legal risks, particularly in the areas of product liability, competition, intellectual property disputes and tax matters.

In the ordinary course of business, the Group is subject to a number of ongoing legal, administrative, tax and arbitration proceedings at any given time (currently ranging between 10-20 individual proceedings) however, overall our legal exposure is quite limited. Overall, our legal exposure is limited due to our proactive and cooperative community approach, as well as our strong control of our value chain.

There is a dormant subsidiary of the Group in Brazil which cannot be closed due to a legal judgement rendered in the early 2000s. The claimant has tried to enforce the judgement from time to time without success due to practicalities. As of 1 April 2019, the size of the claim was approximately BRL 4.67 million. The matter was dormant until the Brazilian court ruling was delivered to LR in Germany in August of 2023. This court ruling has not been enforced against LR and the Group, but it cannot be guaranteed that it will not in the future be enforced against the Group outside Brazil.

Other than the above, there have been no governmental, legal or arbitration proceedings (including, any such proceedings, which are pending or threatened of which we are aware), during the last 12 months prior to the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Company's and/or LR Group's financial position or profitability.

OWNERSHIP STRUCTURE

Share Capital and Shares

According to its articles of association, the Issuer's share capital amounts to EUR 10,120,000 divided into 10,120,000 shares with a nominal value of EUR 1.00. The share capital of the Issuer is composed of bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*). The holders of ordinary shares are entitled to one (1) vote per share. The shares are denominated in EUR. The Issuer's shares are not publicly traded on an exchange.

Ownership Structure

As of the date of this Prospectus, Aloco Holding S.à r.l. ("**Aloco**") owns all 10,120,000 shares equal to 100 per cent. of the shares and votes in the Issuer,

Shareholder	Number of Shares	Share Capital
Aloco Holding S.à r.l.	10,120,000	EUR 10,120,000

The Issuer is a privately owned company. Aloco is incorporated as a Luxembourg private limited-liability company (*société à résponsabilité limitée*) under Luxembourg law, with its registered seat and business address at 1, boulevard Grande-Duchesse Charlotte L-1331 Luxembourg and registered with the Luxembourg Register of Business and Companies (*Registre de Commerce et des Sociétés*) under docket number B174254.

Aloco is wholly owned by Aloco Holdings (Jersey) Limited, which in turn is wholly owned by Quadriga Capital IV Commerce Holding LP (the "**Commerce Holding**"). Commerce Holding is managed by Commerce Europe Holding GP Limited as general partner. Project Artemis SCSp ("**Project Artemis**") holds 99.3% of the ownership units in Commerce Holding. Quadriga Capital IVa Co-Invest LP holds the remaining 0.7% of the ownership units in Commerce Holding. 74% of the ownership units in Project Artemis are held by Evoco Q Invest SCSp ("**Evoco Q Invest**"), and the remaining 26% of the ownership units are held by former limited partners of Quadriga Capital funds, comprising a large group of professional and institutional investors without any ultimate beneficial owner. Evoco TSE III SCSp, SICAV-RAIF ("**Evoco TSE III**") holds 82.9% of the ownership units in Evoco Q Invest, with other minority investors each holding less than 10% of the ownership units in Evoco Q Invest. No individual (indirectly) holds 25% or more in Evoco TSE III.

Shareholders' Agreements

As far as the Issuer is aware, there are no shareholders' agreements or other agreements where the terms of such agreements and/or the execution thereof qualifies as or would result in a change of control regarding control over the Issuer by the Commerce Holding. The Issuer has been informed by Commerce Holding that the ownership units in Commerce Holding has been transferred to a *Permitted Transferee* (as such term is defined in the Terms and Conditions of the Bonds) and therefore, no change of control has occurred.

MANAGEMENT BOARD

Management Board

Issuer

The Management Board of the Issuer comprises two (2) members who are responsible for the Issuer's ongoing management and operations, as well as the representation of the Issuer. The members of the Management Board can be reached at the Issuer's offices at Kruppstraße 55, 59227 Ahlen, Germany.

Name	Position
Dr. Andreas Laabs	Member of the Management Board (*Vorstand*), CEO & Speaker of the Board
Andreas Grootz	Member of the Management Board (*Vorstand*), General Manager

Dr. Andreas Laabs

Mr. Laabs has been a member of the Management Board since 2014[1], and Speaker of the Board as well as CEO since 2022.

Mr. Laabs is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

Andreas Grootz

Mr. Grootz has been a member of the Management Board and General Manager since 2022.

Mr. Grootz is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Global Holding GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023.

Mr. Sostmann is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Health & Beauty Systems Beteiligungs GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

[1] Refers to the year Dr. Andreas Laabs was appointed as member of the Management Board of the previous parent company of the Group (LR Global Holding GmbH). With the establishment of LR Health & Beauty SE as new parent company of the Group in 2021, Dr. Andreas Laabs has become a member of the Management Board of LR Health & Beauty SE.

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR Health & Beauty Systems GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director), Thomas Heursen (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Thomas Heursen

Mr. Heursen has been a managing director since 2013.

Mr. Heursen is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR Partner Benefits GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR-International Beteiligungs GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR Deutschland GmbH (Guarantor)

The executive management consists of Dr. Andreas Laabs (Managing Director), Andreas Grootz (Managing Director) and Patrick Sostmann (Managing Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a managing director since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR Jersey Holding Limited (Guarantor)

The executive management consists of Dr. Andreas Laabs (Director) and Andreas Grootz (Director).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

LR Health & Beauty Systems SAS (Guarantor)

The executive management consists of LR-International Beteiligungs GmbH as president (*Président*) represented by Dr. Andreas Laabs, Andreas Grootz and Patrick Sostmann each as managing directors (*Geschäftsführer*).

Dr. Andreas Laabs

Please see Section "*Management Board – Issuer*".

Andreas Grootz

Please see Section "*Management Board – Issuer*".

Patrick Sostmann

Mr. Sostmann has been a member of the Management Board since 2023. For further information, please see Section "*Management Board – LR Global Holding GmbH (Guarantor)*".

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Guarantor)

The executive management consists of Babousis Vagis Antonios (Managing Director).

Babousis Vagis Antonios

Mr. Vagis Antonios has been a member of the Management Board since 2020.

Mr. Vagis Antonios is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Health & Beauty Systems, s.r.o. (Guarantor)

The executive management consists of Stefania Dzurillova (Managing Director).

Stefania Dzurillova

Mrs. Dzurillova has been a member of the Management Board since 2022.

Mrs. Dzurillova is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Health & Beauty Systems, s.r.o. (Guarantor)

The executive management consists of Stefania Dzurillova (Managing Director).

Stefania Dzurillova

Mrs. Dzurillova has been a member of the Management Board since 2022. For further information, please see Section "*Management Board – LR Health & Beauty Systems, s.r.o. (Guarantor)*".

LR Health & Beauty Systems sp. z o.o. (Guarantor)

The executive management consists of Katarzyna Kantor (Managing Director).

Katarzyna Kantor

Mrs. Kantor has been a member of the Management Board since 2024.

Mrs. Kantor is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

Conflicts of Interests within the Management

Within LR Group, members of the Management Boards have employment agreements with an entity of the Group, as well as memberships on boards of other Group companies. Therefore, conflicts of interest could arise for members of Management Boards between their duties towards the Group, the relevant individual Group company and their duties as members of the board of directors of such company or as a member of senior management of such Group company, respectively. In the event that such conflict of interest arises at a meeting of a Management Board, a member of the Management Board which has such conflict, will abstain from voting for or against the approval of such participation, or the terms of such participation.

FINANCIAL INFORMATION

Exemptions from Disclosure Requirements

In the decision of the SFSA made on 31 January 2025, the SFSA has granted an exemption from certain disclosure requirements in accordance with article 18.1 of the Prospectus Regulation. According to the decision, the Issuer is not required to disclose separate financial information regarding the Guarantors as otherwise required pursuant to Section 3 in Appendix 21 and Section 11.1 in Appendix 6, of the Commission Delegated Regulation (EU) 2019/2980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

With regards hereto, this Prospectus does not incorporate audited financial information for the past two financial years for each of the Guarantors. The exemption has been granted based on the consolidated financial statements relating to the Issuer being sufficient in order for a potential investor to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer and the Guarantors. This is, among other things, due to that the Issuer is the holding company and the Guarantors' operations are similar in nature in comparison with one another, whereby separate financial statements for each Guarantor are not necessary in order to determine the financial position and future prospects for the Guarantors. Hence, the consolidated financial statements, as incorporated by reference into this Prospectus, are sufficient for such assessments by potential investors.

Historical Financial Information

The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2022 and 2023, and the Company's unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024 have been incorporated into this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus, and is either deemed by the Issuer to be irrelevant for investors in the Bonds, or is covered elsewhere in the Prospectus.

All financial information in this Prospectus as of 31 December 2022 and 31 December 2023 or relating to the financial years ended 31 December 2022 or 31 December 2023 derives from the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2022 and 31 December 2023. All financial information in this Prospectus as of 30 September 2024 or relating to the nine-month period ended 30 September 2024 derives from the Company's unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024 or constitutes the Group's internal financial information.

Accounting Standards

The consolidated financial statements of the Company as of and for the financial years ended 31 December 2022 and 31 December 2023, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB. The unaudited consolidated interim financial information of the Company as of and for the nine-month period ended 30 September 2024, has been prepared in accordance with IAS 34 Interim Financial Reporting.

Age of the Most Recent Audited Financial Information

The most recent audited financial information derives from the Issuer's consolidated financial statements as of and for the financial year ended on 31 December 2023. This means that the balance sheet date of the Issuer's most recent audited financial information falls less than 18 months prior to the date of this Prospectus.

Auditing of the Historical Financial Information

The Company's German language consolidated financial statements as of and for the financial years ended 31 December 2022 and 31 December 2023 of which English language translations have been incorporated by reference into this Prospectus have been audited by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Cecilienallee 6-7, 40474 Düsseldorf, in accordance with Section 317 of the HGB and German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*, "**IDW**"). The Company's consolidated interim financial information as of and for the nine-month period ended 30 September 2024 has not been audited.

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

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Incorporation by Reference

The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2022 and 31 December 2023 and independent auditor's reports thereon as well as the Company's unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024 are incorporated by reference into this Prospectus. The pages specified below of the following documents which have previously been published or which are published simultaneously with this Prospectus shall be incorporated by reference into this Prospectus:

Reference	Pages
Unaudited consolidated interim financial information of LR Health & Beauty SE as of and for the nine-month period ended 30 September 2024[2] as contained in the Company's "Q3 2024 Unaudited Consolidated Interim Report" (LINK)	
Unaudited consolidated interim balance sheet	26-27
Unaudited consolidated interim statement of profit or loss	28
Unaudited consolidated interim statement of comprehensive income	29
Unaudited consolidated statement of changes in equity	30
Unaudited consolidated interim statement of cash flows	31
Notes to the unaudited consolidated financial statements	32-38
Audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2023, prepared in accordance with IFRS, and independent auditor's report thereon (LINK)	
Consolidated balance sheet	74-75
Consolidated statement of profit or loss	76
Consolidated statement of comprehensive income	77
Consolidated statement of changes in equity	78
Consolidated statement of cash flows	79
Notes to the consolidated financial statements	80-120
Independent auditor's report[3]	126-129
Audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2022, prepared in accordance with IFRS, and independent auditor's report thereon (LINK)	
Consolidated balance sheet	2
Consolidated statement of profit or loss	3
Consolidated statement of comprehensive income	3
Consolidated statement of cash flows	4
Consolidated statement of changes in equity	5
Notes to the consolidated financial statements	6-57
Independent auditor's report[4]	58-61

The English language consolidated financial statements of LR Health & Beauty SE as of and for the financial years ended 31 December 2022 and 31 December 2023 and the English language independent auditor's reports thereon set out above and incorporated by reference into this Prospectus are translations of the respective German

[2] The unaudited consolidated interim financial information as of and for the nine-month period ended 30 September 2024 does not represent a complete set of interim condensed consolidated financial statements in accordance with IFRS for interim financial reporting (IAS 34).
[3] The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report as of and for the fiscal year ended 31 December 2023 of LR Health & Beauty SE as a whole and not solely to the consolidated financial statements incorporated by reference.
[4] The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report as of and for the fiscal year ended 31 December 2022 of LR Health & Beauty SE as a whole and not solely to the consolidated financial statements incorporated by reference.

language consolidated financial statements and independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*).

OTHER INFORMATION

Information about the Prospectus

This Prospectus has been prepared for the purpose of applying for admission to trading of the Bonds at Nasdaq Stockholm (or another regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended), which is a requirement from the Bondholders according to the Terms and Conditions, and has been approved by the SFSA as competent authority under the Prospectus Regulation.

The proceeds from the Bond Issue (after deduction for the fees paid by the Issuer to Pareto Securities AS, Frankfurt Branch and Arctic Securities AS ("**Joint Bookrunners**") for the services provided in relation to the Bond Issue and placement of the Bonds) were applied towards (i) repaying in full the then existing EUR 125,000,000 senior secured floating rate bonds 2021/2025 ISIN NO0010894850 issued by LR Global Holding GmbH; (ii) the payment of transaction costs fees (including original issue discounts) and expenses in relation to the Bond Issue ; and (iii) financing general corporate purposes of the Group.

Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (the "**Admission to Trading**") will be filed in immediate connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is at the latest 28 February 2025. The total expenses for the Admission to Trading are estimated to amount to approximately EUR 105,000.

The Bonds have also been listed on the Open Market of Frankfurt Stock Exchange, which is a multilateral trading platform (MTF), in connection with the issuance of the Bonds.

Interest of Natural and Legal Persons Involved in the Bond Issue

The Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or other services for the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners and/or their affiliates having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Clearing and Settlement

The Bonds are connected to the account-based system of Verdipapirsentralen ASA (VPS) in Norway, registration number 985 140 421, Fred. Olsens gate 1, P.O. Box 1174 Sentrum, NO-0107 Oslo, Norway. This means that the Bonds are registered on behalf of the Bondholders on a securities account. No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through VPS's book-entry system.

Credit Ratings

On 4 November 2024, the credit rating agency Scope Ratings GmbH has assigned the Company a credit rating of BB- (negative outlook) (corporate rating) and the Bonds were assigned a credit rating of BB- (senior secured debt rating). Credit ratings are a way of evaluating credit risk. Scope Ratings GmbH is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).

The credit scale (long-term) from Scope Ratings GmbH applicable to the Issuer (issuer rating) and the Bonds (senior secured debt rating) is set out below. For more information on ratings, visit www.scoperatings.com.

AAA	Credit ratings at the AAA level reflect an opinion of exceptionally strong credit quality.

AA	Credit ratings at the AA level reflect an opinion of very strong credit quality.
A	Credit ratings at the A level reflect an opinion of strong credit quality.
BBB	Credit Ratings at the BBB level reflect an opinion of good credit quality.
BB	Credit ratings at the BB level reflect an opinion of moderate credit quality.
B	Credit ratings at the B level reflect an opinion of weak credit quality.
CCC	Credit ratings at the CCC level reflect an opinion of very weak credit quality.
CC	Credit ratings at the CC level reflect an opinion of extremely weak credit quality.
C	Credit ratings at the C level reflect an opinion of exceptionally weak credit quality.
Notches	Long-term credit ratings are expressed with symbols from "AAA to C", with "+" and "-" as additional subcategories for each category from AA to B (inclusive), i.e., 20 levels in total with 19 sub-categories for performing issues and issuers plus the default category
Outlook	An issuer credit rating can be accompanied by a credit rating outlook, which can be "stable", "positive" or "negative". The positive and negative outlooks normally refer to a period of 12-18 months. These outlooks do not necessarily signal that an upgrade or a downgrade of a credit rating will automatically follow.

A credit rating does not always reflect the risk associated with an investment in the Issuer or the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.

Information on Taxation

Tax legislation in the investor's home member state and in Germany, where the Issuer is incorporated, may affect any income from the Bonds.

Documents Available for Inspection

Copies of the following documents are available at the Issuer's head office in paper format during the validity period of this Prospectus and available in electronic format at the Issuer's website, ir.lrworld.com/en/bond (the information provided on this hyperlink does not form part of this Prospectus and has not been reviewed or approved by the SFSA unless the information has explicitly incorporated by reference into the Prospectus).

- The Issuer's and Guarantors' articles of associations.
- The Issuer's and Guarantors' certificate of registrations.
- The Terms and Conditions.
- The Guarantee Agreement.
- The unaudited consolidated interim financial information of LR Health & Beauty SE as of and for the nine-month period ended 30 September 2024, which does not represent a complete set of interim condensed consolidated financial statements in accordance with IFRS for interim financial reporting (IAS 34).
- The audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2023, prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB, and the independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.
- The audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2022, prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB, and the independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.

TERMS AND CONDITIONS FOR THE BONDS

TERMS AND CONDITIONS FOR

LR HEALTH & BEAUTY SE

EUR 130,000,000

SENIOR SECURED FLOATING RATE BONDS 2024/2028

ISIN: NO0013149658 (BONDS)

ISIN: NO0013162669 (INITIAL TEMPORARY BONDS)

LEI: 391200F0IS3RDVSU8A35

SELLING RESTRICTIONS

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons, except for "Qualified Institutional Buyers" ("**QIB**") within the meaning of Rule 144A under the U.S. Securities Act.

Bondholders located in the United States are not permitted to transfer Bonds except (i) subject to an effective registration statement under the U.S. Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) and (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.

PRIVACY NOTICE

The Issuer, the Paying Agent and the Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer, the Paying Agent and the Agent for the following purposes:

(a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;

(b) to manage the administration of the Bonds and payments under the Bonds;

(c) to enable the Bondholders' to exercise their rights under the Finance Documents; and

(d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Paying Agent and the Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Paying Agent or the Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have the right to get access to their personal data and may request the same in writing at the address of the Issuer, the Paying Agent and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Paying Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.lrworld.com and www.nordictrustee.com.

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator (No. *Kontofører)* with Verdipapirsentralen ASA, and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Additional Guarantors**" means:

(a) LR Jersey Holding Limited, a limited liability company incorporated under the laws of Jersey and registered under registration number 124815;

(b) LR Health & Beauty Systems SAS, a limited liability company incorporated under the laws of France and registered under registration number 529 089 526 RCS Lyon;

(c) LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ), a limited liability company incorporated in Greece with registered address at the Municipality of Metamorfosi, 50 Ermou Str., Athens, Greece and General Commercial Registry number (GEMI) 001682601000;

(d) LR Health & Beauty Systems s.r.o., a limited liability company incorporated in Czech Republic with identification no. 024 86 512, registered in the Czech Commercial Register (obchodní rejstřík) maintained by the Regional Court (krajský soud) in Ostrava under file no. C 58017;

(e) LR Health & Beauty Systems S.R.O., a limited liability company incorporated in Slovakia with identification no. 31 380 506, registered in the Slovak Commercial Register (obchodný register) maintained by the District Court (okresný súd) Žilina, under section Sro, file no. 10380/L; and

(f) LR Health & Beauty Systems sp. z o.o., a limited liability company incorporated under the laws of Poland, with its registered office in Katowice, at ul. Hutnicza 6, 40-241 Katowice, whose file is kept by the District Court for the Katowice-Wschód in Katowice, VIII Commercial Department of the National Court Register, entered in the register of entrepreneurs of the National Court Register under registration number KRS 0000203244, REGON 278219183, NIP 9542474874.

"**Adjusted Nominal Amount**" means the Outstanding Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or any of their respective Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds.

"**Affiliate**" means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agency Agreement**" means the fee agreement entered into between the Agent and the Issuer on or prior to the Issue Date regarding*, inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

"**Agent**" means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, with registered address P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Ahlen PropCo**" means Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

"**Ahlen Property**" means the real estate property located in Kruppstraße, Ahlen.

"**Ahlen Sale and Leaseback Arrangements**" means the sale and lease back arrangements currently in place between LR Health & Beauty Systems GmbH (amongst other things, as tenant), Ahlen PropCo (amongst other things, as landlord) in relation to the Ahlen Property.

"**Applicable Accounting Principles**" means generally accepted accounting principles, standards and practices in the jurisdiction of incorporation of the relevant Group Company (including IFRS, if applicable).

"**Base Rate**" means EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 20 (*Base rate replacement*).

"**Base Rate Administrator**" means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

"**Bond**" means a debt instrument (Sw. *skuldförbindelser*), each for the Nominal Amount issued by the Issuer and which are governed by and issued under these Terms and Conditions.

"**Bondholder**" means each Person registered as an owner or nominee holder of a Bond, subject however to Clause 8 (*Right to Act on behalf of a Bondholder*).

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clauses 18.1 (*Request for a decision*), 18.2 (*Convening of Bondholders' Meeting*) and 18.4 (*Majority, quorum and other provisions*).

"**Book-Entry Securities System**" means the book-entry securities system maintained by the CSD or any other replacement book-entry securities system.

"**Business Day**" means a day on which banks are open for general business, other than a, Sunday or other public holiday, in Stockholm, Sweden or Frankfurt am Main, Germany. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

"**Business Day Convention**" means that if the last day of any Interest Period originally falls on a day that is not a CSD Business Day, the Interest Period will be extended to include the first following CSD Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding CSD Business Day (*Modified Following)*.

"**Change of Control Event**" means:

(a) at any time prior to an Equity Listing Event, the Investor ceases to have a Decisive Influence over the Issuer; and

(b) upon and at any time following a successful Equity Listing Event, that any Person or group of Persons (other than the Investor or a Permitted Transferee) acting in concert acquire control, directly or indirectly, over more than fifty (50.00) per cent. of the shares or voting rights in the Issuer or a Decisive Influence over the Issuer

in each case provided that no Change of Control Event shall be deemed to occur if the change of Decisive Influence or control results from or in connection with (A) a transfer of ownership interests to one or several Person(s) which has been pre-approved by more than fifty (50.00) per cent. of the Bondholders voting in a Bondholders' meeting or written procedure, for which quorum exists only if Bondholders representing at least fifty (50.00) per cent. of the aggregate Outstanding Nominal Amount attend in due order ("**Permitted Transferee Voting**") or (B) a transfer of ownership interests to a Related Entity or the transformation (*Umwandlung*) and/or merger (*Verschmelzung*) of the Issuer into a Related Entity (each of the transferees referred to in paragraph (A) or (B) above, for the purpose of this definition, a "**Permitted Transferee**").

"**Compliance Certificate**" has the meaning set forth in Clause 14.1.3.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, initially Verdipapirssentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

"**CSD Business Day**" means a day on which (i) the Book-Entry Securities System is open in accordance with the regulations of the CSD; and (ii) the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System or any successor system is open.

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

"**Decisive Influence**" means a Person having, as a result of an agreement or through the ownership of shares or ownership interests in another Person (directly or indirectly):

(a) a majority of the voting rights in that other Person; or

(b) a right to elect or remove a majority of the members of the board of directors of that other Person.

"**Disbursement Security and Guarantees**" means:

(a) first priority pledge over the shares and interests (as applicable) in the Initial Guarantors;

(b) first priority pledges over the bank accounts located in Germany (including any cash pools of the Group) of the Issuer and the Initial Guarantors;

(c) first priority security over any current and future Structural Intercompany Loans;

(d) first priority security over any current and future Shareholder Loans;

(e) German law security transfer of inventory located in the Group's warehouses in Germany; and

(f) Guarantees from the Initial Guarantors.

"**Equity Listing Event**" means an initial public offering of shares in the Issuer, following which such shares shall be quoted, listed, traded or otherwise admitted to trading on any Regulated Market or recognised unregulated market place.

"**Escrow Account**" means a bank account maintained with the Escrow Bank by the Escrow Manager on behalf of the Issuer under the Escrow Agreement into which the Net Proceeds of the Bonds issued on the Issue Date will be transferred and which has been pledged under the Escrow Account Pledge Agreement.

"**Escrow Account Pledge Agreement**" means the pledge agreement entered into between the Issuer, the Agent and the Escrow Manager on or prior to the Issue Date in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Agent only on behalf of the Bondholders holding ordinary Bonds (represented by the Agent).

"**Escrow Agreement**" means the agreement entered into between the Issuer, the Agent and the Escrow Manager on or prior to the Issue Date in respect of the establishment of and the legal title to the Escrow Account.

"**Escrow Bank**" means DNB Bank ASA, with business registration number 984 851 006, and registered address P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

"**Escrow Manager**" means Nordic Trustee Services AS, with business registration number 916 482 574, and registered address Kronprinsesse Märthas plass 1, N-0160 Oslo, Norway.

"**EURIBOR**" means:

(a) the applicable percentage rate per annum displayed on Thomson Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in EUR and for a period comparable to the relevant Interest Period; or

(b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Paying Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:

(i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and

(ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period,

in each case as of or around 11 a.m. on the Quotation Day; or

(a) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Paying Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Paying Agent, for deposits of EUR 10,000,000 for the relevant period; or

(d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above and no quotation is available pursuant to paragraph (c) above, the Interest Rate which according to the reasonable assessment of the Paying Agent best reflects the Interest Rate for deposits in EUR offered for the relevant period and which is generally accepted in the market; and

if any such rate is below zero, EURIBOR will be deemed to be zero.

"**Euro**" and "**EUR**" means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

"**Event of Default**" means an event or circumstance specified in Clause 16.1.

"**Excluded Jurisdiction**" means each of Ukraine and Russia.

"**Existing Bonds**" means the EUR 125,000,000 senior secured floating rate bonds with ISIN NO0010894850 issued by LR Global Holding GmbH on 3 February 2021.

"**Existing Bonds Account Operator Agreement**" means the agreement entered into between the Issuer and the Paying Agent on or prior to the Issue Date in respect of the establishment and operation of and the legal title to the Existing Bonds Escrow Account.

"**Existing Bonds Escrow Account**" means a securities account in the CSD operated by the Paying Agent on behalf of the Issuer under the Existing Bonds Account Operator Agreement into which the Existing Bonds used as payment-in-kind for Initial Temporary Bonds shall be transferred and which has been pledged under the Existing Bonds Escrow Account Pledge Agreement.

"**Existing Bonds Escrow Account Pledge Agreement**" means the pledge agreement entered into between the Issuer and the Agent or the Paying Agent (as applicable) on or prior to the Issue Date in respect of a first priority pledge over the Existing Bonds Escrow Account and all securities held on the Existing Bonds Escrow Account from time to time, granted in favour of the Agent only on behalf of the Bondholders holding Initial Temporary Bonds (represented by the Agent).

"**Final Maturity Date**" means 4 March 2028, subject to adjustment in accordance with the Business Day Convention (*mutatis mutandis*).

"**Final Redemption Date**" means the Final Maturity Date or such earlier date on which the Bonds are redeemed in full.

"**Finance Charges**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Finance Documents**" means:

(a) the Terms and Conditions;

(b) if entered into, the Intercreditor Agreement;

(c) the Escrow Account Pledge Agreement;

(d) the Existing Bonds Escrow Account Pledge Agreement;

(e) the Security Documents;

(f) the Guarantee Agreement;

(g) the Agency Agreement; and

(h) any other document designated by the Issuer and the Agent as a Finance Document.

"**Finance Lease**" means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Applicable Accounting Principles on the Issue Date.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed and debt balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;

(d) the amount of any liability in respect of any Finance Lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Applicable Accounting Principles are met);

(f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that derivative transaction, that amount) shall be taken into account;

(g) any counter indemnity obligation in respect of a guarantee, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a Person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Final Maturity Date and are classified as borrowings under the Applicable Accounting Principles;

(i) any amount of any liability under an advance or deferred purchase agreement, if (A) the primary reason behind entering into the agreement is to raise finance or (B) the agreement is in respect of the supply of assets or services and payment is due more than six (6) months after the date of supply;

(j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Applicable Accounting Principles; and

(k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.

"**Financial Report**" means the annual audited consolidated financial statements and quarterly interim unaudited financial statements of the Group, which shall be prepared and made available in accordance with these Terms and Conditions.

"**First Call Date**" means 4 March 2026.

"**Force Majeure Event**" has the meaning set forth in Clause 27.1.

"**Funds Flow**" means the funds flow statement approved by the Issuer showing (i) the transfers or payments to be made from the Escrow Account, (ii) the transfers or payments to be made from the Existing Bonds Escrow Account and (iii) any additional transfers or payments required to be made by the Issuer to fully finance the redemption and discharge of the Existing Bonds.

"**Group**" means the Issuer and its Subsidiaries from time to time (each a "**Group Company**").

"**Group EBITDA**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Guarantee Agreement**" means the guarantee agreement entered into between the Issuer, each Guarantor and the Security Agent pursuant to which the Secured Obligations under the Finance Documents will be guaranteed by the Guarantors and the Guarantors will undertake to adhere to, and comply with, the undertakings set out in the Finance Documents.

"**Guarantees**" means the guarantees in relation to certain obligations under the Finance Documents provided by the Guarantors pursuant to the Guarantee Agreement (including any accession letters hereto).

"**Guarantors**" means each of the Initial Guarantors, the Additional Guarantors and any other Material Group Companies from time to time (other than the Issuer and any Group Company incorporated in an Excluded Jurisdiction), subject to the resignation of any Guarantors in accordance with the Intercreditor Agreement (if entered into).

"**Hedge Counterparty**" has the meaning ascribed to it in Schedule 3 (*Intercreditor Principles*).

"**Hedging Obligations**" has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

"**IFRS**" means the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time.

"**Incurrence Test**" means the test pursuant to Clause 13.3 (*Incurrence Test*).

"**Initial Guarantors**" means:

(a) LR Global Holding GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 14367;

(b) LR Health & Beauty Systems Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register

(*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 11089;

(c) LR Health & Beauty Systems GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 10011;

(d) LR Partner Benefits GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8315;

(e) LR-International Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8109; and

(f) LR Deutschland GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 18676.

"**Initial Nominal Amount**" has the meaning set forth in Clause 2.3.

"**Initial Temporary Bonds**" has the meaning set out in Clause 2.7.

"**Insolvent**" means, in respect of a relevant Person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen* (1987:672)) (or its equivalent in any other relevant jurisdiction) or, with respect to insolvency proceedings in Germany, that Person being in a state of illiquidity (*Zahlungsunfähigkeit*) within the meaning of § 17 of the German Insolvency Code (*Insolvenzordnung*) or being over-indebted (*überschuldet*) within the meaning of § 19 of the German Insolvency Code (*Insolvenzordnung*).

"**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests held by any Group Company (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of any Group Company (which may now or in the future subsist).

"**Intellectual Property Security**" means the security relating to Intellectual Property granted pursuant to the provisions of Clause 15.17 (*Intellectual Property Security*).

"**Intercreditor Agreement**" means an intercreditor agreement, based on the terms set out in the intercreditor principles in Schedule 3 (*Intercreditor principles*), entered into between, amongst others, the Issuer, the creditors under any Super Senior Debt, the Hedge Counterparty (if any) and the Agent (representing the Bondholders).

"**Interest**" means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

"**Interest Coverage Ratio**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Interest Expenses**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Interest Payment Date**" means the last day of each Interest Period, the first Interest Payment Date being 31 May 2024 (long first Interest Period) and the last Interest Payment Date being the Final Redemption Date.

"**Interest Period**" means, subject to adjustments in accordance with the Business Day Convention, the period between 28/29 February (i.e. the last day of February, as applicable), 31 May, 31 August and 30 November in each year, provided however that the first Interest Period ends on 31 May 2024 and an Interest Period shall not extend beyond the Final Redemption Date.

"**Interest Rate**" means the Base Rate plus seven point five (7.50) per cent. *per annum* as adjusted by any application of Clause 20 (*Base rate replacement*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

"**Investor**" means jointly or severally (i) Quadriga Capital IV Commerce Holding L.P. and/or the holders of the majority of its limited partnership interests from time to time and/or (ii) other limited partnerships or entities managed by Quadriga Capital IV GP Limited, Quadriga Capital Europe IV GP L.P. or Quadriga Capital Europe IV GP Limited (each a "**QC GP**") and/or any of their respective Affiliates and/or (iii) partnerships or entities advised by a QC GP.

"**Issue Date**" means 4 March 2024 or such other date as is agreed between the Paying Agent and the Issuer.

"**Issue Price**" has the meaning set forth in Clause 2.3.

"**Issuer**" means LR Health & Beauty SE, a Societas Europaea, incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Munich under registration number HRB 258262.

"**Joint Bookrunner**" means Pareto Securities AS, Frankfurt Branch and Arctic Securities AS.

"**Leverage Ratio**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**LR Car Programme**" means the sales partner incentivisation programme of the Group permitting the Group's sales partners (depending on their business performance) to lease certain cars (i) on favourable terms directly from a car leasing provider or (ii) from the Group (benefiting from the Group's preferential rates) on the basis of a back-to-back lease of the Group from certain car leasing providers.

"**Maintenance Test**" means the test pursuant to Clause 13.2 (*Maintenance Test*).

"**Market Loans**" means bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, a MTF or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

"**Material Adverse Effect**" means a material adverse effect on (i) the Issuer or any Guarantor's ability to perform and comply with their obligations under any of the Finance Documents or (ii) the validity or enforceability of the Finance Documents.

"**Material Group Companies**" means:

(a) the Issuer;

(b) LR Global Holding GmbH;

(c) LR Health & Beauty Systems Beteiligungs GmbH;

(d) LR Health & Beauty Systems GmbH; and

(e) any Group Company which is nominated as such by the Issuer in accordance with these Terms and Conditions.

"**MTF**" means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

"**Net Finance Charges**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Net Interest Bearing Debt**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Net Interest Expenses**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Net Proceeds**" means the proceeds from the issue of the Bonds after deduction has been made for the fees payable by the Issuer to the Joint Bookrunners for the services provided in relation to the placement and issuance of the Bonds.

"**Nominal Amount**" means in respect of each Bond the Initial Nominal Amount, subject to Clause 11.7 (*Partial prepayment*) and Clause 21.2.14.

"**Outstanding Nominal Amount**" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

"**Paying Agent**" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD from time to time, initially Nordic Trustee Services AS, with business registration number 916 482 574, and registered address Kronprinsesse Märthas plass 1, N-0160 Oslo, Norway.

"**Payment Date**" means any Interest Payment Date or any Redemption Date.

"**Permitted Financial Indebtedness**" means any Financial Indebtedness (or the refinancing of any Financial Indebtedness):

(a) arising under the issue of the Bonds or the Finance Documents;

(b) until redeemed in full within three (3) Business Day of the release of the Net Proceeds from the Escrow Account, the Existing Bonds;

(c) in the form of Shareholder Loans;

(d) in the form of Structural Intercompany Loans;

(e) between: (i) a Material Group Company and another Material Group Company (in each case other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH), (ii) a wholly-owned Group Company and another wholly-owned Group Company (in each case other than any Material Group Companies) and (iii) a Guarantor and another Guarantor (in each case other than the

Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH);

(f) between a Material Group Company (other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH) and a wholly-owned Group Company that is not a Material Group Company, provided that such Financial Indebtedness shall not when aggregated with all other Financial Indebtedness incurred under this paragraph (f), exceed EUR 5,000,000 in outstanding principal amount;

(g) in the form of any counter indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;

(h) incurred under any advance or deferred purchase agreement on normal commercial terms by any Group Company from any of its trading partners in the ordinary course of its trading activities;

(i) arising under any Hedging Obligations;

(j) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;

(k) arising under any interest rate hedging transactions in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;

(l) arising under or in connection with the Ahlen Sale and Leaseback Arrangements up to an amount of EUR 8,500,000;

(m) incurred (i) under local banking facilities up to an aggregate principal amount not exceeding EUR 1,000,000 (or its equivalent) and (ii) as sureties, letters of credit or in the form of guarantee facilities up to an aggregate amount not exceeding EUR 2,000,000 (or its equivalent), in each case in aggregate for the Group at any time;

(n) incurred pursuant to any Finance Leases related to any agreements under which a Group Company leases real property, office space (Sw. *kontorshyresavtal*) or other premises;

(o) incurred pursuant to any Finance Leases arising in connection with the LR Car Programme in the ordinary course of business in a maximum amount equal to three point five (3.50) per cent. of the turn-over of the Group, calculated on the basis of Relevant Period ending on the last day of the most recent Financial Report;

(p) incurred pursuant to any Finance Leases (other than those related to (n) and (o) above) incurred in the ordinary course of such Group Company's business in a maximum aggregate amount of EUR 6,000,000 (or the equivalent) at any time;

(q) incurred as a result of any Group Company acquiring another entity which holds Financial Indebtedness, provided that (i) the Incurrence Test is met (calculated *pro forma* including the acquired entity's indebtedness in question), and (ii) such

indebtedness is repaid or refinanced in full no later than three (3) months from the completion of the acquisition with Financial Indebtedness permitted pursuant to any other limb of this definition;

(r) under any pension and tax liabilities incurred in the ordinary course of business;

(s) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;

(t) incurred under any cash-pooling arrangements between any Group Companies, subject to a limit on the aggregate amount of such Financial Indebtedness from Material Group Companies (as lenders) to members of the Group who are not Material Group Companies (as borrowers) of EUR 2,000,000;

(u) incurred by the Issuer or any other member of the Group, under one or several credit facilities or other financings for working capital and general corporate purposes of the Group (and any refinancing, amendment or replacements thereof), which will, following the entering into of the Intercreditor Agreement, pursuant to the Intercreditor Agreement rank super senior to the Bonds, as amended from time to time, in a maximum aggregate amount not at any time exceeding EUR 7,500,000 (or its equivalent) (the "**Super Senior Debt**"), in each case provided that (A) the aggregate principal amount drawn under the Super Senior Debt and the Adjusted Nominal Amount of the Bonds does not exceed EUR 135,000,000 (excluding any Bonds to be purchased or prepaid with funds from the Super Senior Debt immediately following the relevant drawing under the Super Senior Debt, subject to applicable rules and regulations of the CSD and the notice period set out in Clause 11.7 ("*Partial prepayment*")) or, if higher, (B) the Super Senior Incurrence Test is met on a *pro forma* basis (i.e. taking into account the amount to be extended under the Super Senior Debt), in each case provided, for the avoidance of doubt, that agreements in respect of a Super Senior Debt may be entered into without restrictions; and

(v) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed EUR 2,000,000.

"**Permitted Security**" means any Security:

(a) created under the Senior Finance Documents (and as otherwise permitted pursuant to an Intercreditor Agreement (when entered into));

(b) (i) up until redeemed in full within three (3) Business Day of the release of the Net Proceeds from the Escrow Account, in the form of any German law security or guarantees granted by German entities in respect of the Existing Bonds and (ii) up until the date falling ninety (90) Business Days of the date of disbursement of the Net Proceeds from the Escrow Account, any security or guarantees granted in respect of the Existing Bonds (other than the security and guarantees permitted pursuant to limb (i) above);

(c) arising by operation of law or in the ordinary course of trading and not as a result of any default or omission;

(d) arising in the ordinary course of banking arrangements for the purposes of netting or set-off debt and credit balances of Group Companies;

(e) arising under the general terms and conditions of banks and financial institutions in the ordinary course of banking business;

(f) in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property, office space or other premises entered into by a Group Company in the ordinary course of business and on normal commercial terms;

(g) incurred in relation to any Financial Indebtedness permitted pursuant to paragraphs (i), (j), (k), (l) and (m) of the definition of "*Permitted Financial Indebtedness*";

(h) arising as a consequence of any Finance Lease permitted pursuant to paragraphs (o) and (p) of the definition of "*Permitted Financial Indebtedness*";

(i) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;

(j) subsisting as a result of any Group Company acquiring another entity after the Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (q) of the definition of "*Permitted Financial Indebtedness*", provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;

(k) created in the form of a pledge over one or more escrow accounts to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;

(l) any security provided to secure pension liabilities in the ordinary course of business of a Group Company;

(m) any security created pursuant to a court order or judgment or as security for costs arising pursuant to court proceedings being contested by the relevant member of the Group in good faith by appropriate proceedings; and

(n) not otherwise permitted above which secures debt in an amount not exceeding EUR 2,000,000 (or its equivalent in other currencies) at any time.

"**Permitted Transferee Voting**" has the meaning set out in the definition of "*Change of Control Event*".

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

"**Pre-IFRS 16 Group EBITDA**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Pre-IFRS 16 Leverage Ratio**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Pre-IFRS 16 Net Interest Bearing Debt**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Post-Disbursement Security and Guarantees**" means:

(a) first priority pledges over the shares and interests (as applicable) in each of the Guarantors (other than the Initial Guarantors);

(b) the Intellectual Property Security;

(c) first priority pledges over the bank accounts located in Germany of the Guarantors (other than the Initial Guarantors); and

(d) Guarantees from the Additional Guarantors.

"**QC GP**" has the meaning set out in the definition of "*Investor*".

"**Quotation Day**" means, in relation to any period for which the Interest Rate is to be determined, two (2) CSD Business Days before the first day of that period.

"**Record Date**" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

(a) in relation to payments pursuant to these Terms and Conditions, the date designated as the relevant Record Date in accordance with the rules of the CSD from time to time; or

(b) for the purpose of casting a vote with regard to Clause 18 (*Decisions by Bondholders*), the date falling on the immediate preceding Business Day to the date of that Bondholders decision being made or, with respect to a Written Procedure, the date specified in the relevant communication, or another relevant date as accepted by the Agent in accordance with these Terms and Conditions.

"**Redemption Date**" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and Repurchase of the Bonds*).

"**Reference Date**" means the last day of each financial quarter, being 31 March, 30 June, 30 September and 31 December in each year.

"**Regulated Market**" means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

"**Related Entity**" means (i) any German limited partnership on stocks (*Kommanditgesellschaft auf Aktien*) (or a similar or comparable entity) as long as that the management thereof is and remains controlled by Dr. Andreas Laabs (CEO) or (ii) one or several Person(s) being either continuation or new vehicles controlled by the Investor.

"**Relevant Period**" has the meaning set forth in Clause 13.1 (*Definitions*).

"**Secured Obligations**" means:

(a) if the Intercreditor Agreement has not been entered into, all present and future obligations and liabilities of any Group Company to the Secured Parties under the Finance Documents; or

(b) if the Intercreditor Agreement has been entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

"**Secured Parties**" means:

(a) if the Intercreditor Agreement has not been entered into, the Bondholders, the Security Agent and the Agent (including in its capacity as Agent under the Agency Agreement); or

(b) if the Intercreditor Agreement has been entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

"**Securities Account**" means the account for dematerialised securities maintained by the CSD in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"**Security Agent**" has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

"**Security Documents**" means the following documents:

(a) each pledge pursuant to which Security is created over the shares and interests (as applicable) in the Guarantors;

(b) each pledge agreement pursuant to which Security is created over the bank accounts located in Germany (including any cash pools of the Group) of the Issuer and any Guarantor;

(c) each security agreement pursuant to which Security is created over any current and future Structural Intercompany Loans;

(d) each security agreement pursuant to which Security is created over any current and future Shareholder Loans;

(e) each German law security agreement pursuant to which Security is created over transfer of inventory located in the Group's warehouses in Germany;

(f) the Intellectual Property Security;

(g) any Security to be granted pursuant to Clause 15.14 (*Nomination of Material Group Companies*); and

(h) any other documents pursuant to which Transaction Security is provided.

"**Senior Finance Documents**" has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

"**Shareholder Loan**" means any loan or credit made (or to be made) to the Issuer by any direct or indirect shareholder of the Issuer, provided that following the release of the Net Proceeds from the Escrow Account, any such Shareholder Loans shall be (i) fully subordinated to the obligations of all obligors under the Senior Finance Documents (including as to interest and maturity) in accordance with a subordination agreement in a form acceptable to the Agent (or when the Intercreditor Agreement has been entered into,

in accordance with the Intercreditor Agreement) and (ii) the subject of a first priority security interest in favour of the Agent and the Bondholders (or when the Intercreditor Agreement has been entered into, the Secured Parties in accordance with the Intercreditor Agreement).

"**Structural Intercompany Loan**" means any loans or credits made by (i) the Issuer to LR Global Holding GmbH, (ii) LR Global Holding GmbH to LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH to LR Health & Beauty Systems GmbH, or (iv) from LR Health & Beauty Systems GmbH (directly or indirectly) to any of its directly or indirectly wholly-owned subsidiaries, where in each case (a) the term of the loan is at least equal to or longer than 12 months and (b) the aggregate principal amount thereof in addition to any other Structural Intercompany Loans between the same Group Companies is in excess of EUR 1,000,000, but in each case excluding any cash pooling, provided that following release of the Net Proceeds from the Escrow Account, any Structural Intercompany Loans (in each case subject to the Agreed Security Principles) must be the subject of a first priority security interest in favour of the Agent and further provided that any intercompany loans may be designated a Structural Intercompany Loan to the extent first priority security interest in favour of the Agent is granted over such intercompany loans.

"**Subsidiary**" means, in respect of any Person, a Person in respect of which such Person first-mentioned, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, or (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

"**Super Senior Debt**" has the meaning set out in paragraph (u) of the definition of "*Permitted Financial Indebtedness*".

"**Swedish Kronor**" and "**SEK**" means the lawful currency of Sweden.

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the incurrence of any Permitted Financial Indebtedness, including the issuance and admission to trading of the Bonds and the corresponding documentation, including, without limitation, the Security Documents and the Guarantee Agreement.

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 18.1 (*Request for a decision*), 18.3 (*Instigation of Written Procedure*) and 18.4 (*Majority, quorum and other provisions*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

(a) "**assets**" includes present and future properties, revenues and rights of every description;

(b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

(c) a "**regulation**" includes any law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(d) a provision of regulation is a reference to that provision as amended or re-enacted;

(e) an "**enforcement**" of the Guarantee means the making of a demand for payment under the Guarantee; and

(f) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2. STATUS OF THE BONDS

2.1 The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.

2.3 The initial nominal amount of each initial Bond is EUR 1,000 (the "**Initial Nominal Amount**"). The maximum Outstanding Nominal Amount of the Bonds is EUR 130,000,000. All Bonds are issued on a fully paid basis at an issue price of ninety-six (96.00) per cent. of the Initial Nominal Amount (the "**Issue Price**").

2.4 The minimum permissible investment in connection with the issue of the Bonds is EUR 100,000.

2.5 The maximum Outstanding Nominal Amount of the Bonds may not exceed EUR 130,000,000, unless a consent from the Bondholders is obtained in accordance with Clause 18.4.2(a).

2.6 The Bonds shall be settled:

(a) in cash; and/or

(b) in kind by delivery of Existing Bonds.

2.7 Bonds issued pursuant to Clause 2.6(a) will be issued under a separate ISIN, which will be the surviving ISIN for the Bonds. Bonds issued under Clause 2.6(b) will be issued with a temporary ISIN (the "**Initial Temporary Bonds**"). The ISIN for the Initial Temporary Bonds will be merged with the surviving ISIN in connection with disbursement of funds to the Issuer and release of Existing Bonds (for discharge) from the Existing Bonds Escrow Account. The CSD, the Paying Agent and/or the Agent are authorised to carry out the aforesaid in a practical way.

2.8 The Bonds constitute direct, senior, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference between themselves and at least *pari passu* with all direct, unsubordinated and unsecured obligations of the Issuer, subject to (A) obligations which are mandatorily preferred by law and (B) the Intercreditor Agreement (if entered into).

2.9 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

2.10 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

3.1 The Issuer shall apply the Net Proceeds from the issue of the Bonds, towards:

(a) repaying in full the Existing Bonds; and

(b) payment of transaction costs, fees (including original issue discounts) and expenses in relation to the issue of the Bonds.

3.2 Any remaining amount in respect of the Net Proceeds after application of the Net Proceeds in accordance with Clause 3.1 shall be applied towards financing general corporate purposes of the Group.

4. CONDITIONS PRECEDENT

4.1 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the Issue Date (or such later time as agreed by the Agent), the following:

(a) a duly executed copy of these Terms and Conditions;

(b) a duly executed copy of the Agency Agreement;

(c) copies of the constitutional documents (commercial register excerpt, articles of association) of the Issuer;

(d) copies of all corporate resolutions (including authorisations) of the Issuer required to execute the relevant Finance Documents to which it is a party;

(e) the Escrow Agreement, the Escrow Account Pledge Agreement, the Existing Bonds Account Operator Agreement and the Existing Bonds Escrow Account Pledge Agreement duly executed by all applicable notices and acknowledgements; and

(f) such other documents and evidence as is agreed between the Agent and the Issuer.

4.2 The Agent shall confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 4.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The Issue Date shall not occur (i) unless the Agent makes such confirmation to the Paying Agent no later than two (2) Business Days prior to the Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree), or (ii) if the Paying Agent, the Joint Bookrunners and the Issuer agree to postpone the Issue Date.

4.3 Following receipt of the confirmation in accordance with Clause 4.2, the Paying Agent or the Joint Bookrunners shall (i) settle the issuance of the Bonds and pay the Net Proceeds to the Escrow Account (as applicable) and (ii) transfer of any Existing Bonds (delivered as payment-in-kind for new Bonds) to the Existing Bonds Escrow Account.

4.4 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1, is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 4 from a legal or commercial perspective on behalf of the Bondholders.

5. ESCROW OF PROCEEDS

5.1 The Net Proceeds of the Bonds shall be paid into the Escrow Account and any Existing Bonds (delivered as payment-in-kind for new Bonds) to the Existing Bonds Escrow Account in accordance with Clause 4.3.

5.2 The funds standing to the credit of the Escrow Account will be pledged on a first priority basis by the Issuer and the Escrow Manager in favour of the Agent (on behalf of the Bondholders) under the Escrow Account Pledge Agreement.

5.3 The Existing Bonds deposited on the Existing Bonds Escrow Account will be blocked for the Issuer and pledged on a first priority basis by the Issuer in favour of the Agent (on behalf of the holders of Initial Temporary Bonds) under the Existing Bonds Escrow Account Pledge Agreement.

5.4 Upon the Issuer providing the following to the Agent, in form and substance satisfactory to the Agent (acting reasonably), the Issuer and the Agent shall jointly in writing instruct the Escrow Manager to promptly transfer the funds standing to the credit on the Escrow Account and the Paying Agent (as account operator under the Existing Bonds Escrow Account) to transfer the Existing Bonds deposited on the Existing Bonds Escrow Account, in each case in accordance with the Funds Flow:

(a) copies of the constitutional documents of each of the Initial Guarantors;

(b) copies of the register or list of shareholders (if applicable) with respect to each relevant Initial Guarantor;

(c) copies of all corporate resolutions (including authorisations) of each of the Initial Guarantors to execute the relevant Finance Documents to which it is a party;

(d) evidence in the form of a redemption notice and by way of the Funds Flow that the Existing Bonds will be redeemed in full within three (3) Business Days following disbursement from the Escrow Account and evidence by way of release letters that any existing security and guarantees in favour of the Existing Bonds have been or will be released and discharged upon redemption of the Existing Bonds;

(e) a duly executed Compliance Certificate nominating the Material Group Companies dated as of the Issue Date;

(f) copies of agreements for any existing Structural Intercompany Loans and Shareholder Loans (and any Structural Intercompany Loans or Shareholder Loans to be made upon or in connection with disbursement), each duly executed by all parties thereto;

(g) evidence that all Disbursement Security and Guarantees (for the avoidance of doubt including the Guarantees from the Initial Guarantors) have been, or will be within three (3) Business Days following disbursement from the Escrow Account, executed and will be granted and perfected in accordance with the Security Documents and the Guarantee Agreement within three (3) Business Days following disbursement of the Net Proceeds from the Escrow Account, subject only to notices / acknowledgments / registrations and similar as agreed in each relevant Security Documents; and

(h) legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or as agreed between the Issuer and the Agent) in respect of the Issuer and the relevant Guarantors' capacity and authority to enter into, as well as the enforceability of, the Finance Documents and any Security Documents.

5.5 The Agent shall confirm to the Issuer, the Escrow Manager and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.4 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)).

5.6 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 5.4, is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective on behalf of the Bondholders.

6. CONDITIONS SUBSEQUENT

6.1 The Issuer shall ensure that the Agent receives the following conditions subsequent as soon as reasonably practicable after, and in any event within ninety (90) Business Days of, the date of disbursement of the Net Proceeds from the Escrow Account:

(a) copies of the constitutional documents of each party to a Finance Document (other than the Agent, the Escrow Manager, the Issuer and the Initial Guarantors);

(b) copies of all corporate resolutions (including authorisations) of each party to a Finance Document (other than the Agent, the Escrow Manager, the Issuer and the Initial Guarantors) required to execute the relevant Finance Documents to which it is a party;

(a) copies of the register of shareholders (in each case) with respect to each relevant Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);

(b) copies of the Finance Documents, including the Security Documents, duly executed, to the extent not already provided;

(c) evidence that the Post-Disbursement Security and Guarantees and all documentation relating thereto has been duly executed, subject only to notices / acknowledgments / registrations and similar as agreed in each relevant Security Documents; and

(d) legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or as agreed between the Issuer and the Agent) in respect of the relevant Guarantor's capacity and authority to enter into, as well as the enforceability of, any Security Documents and the Guarantee Agreement.

6.2 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 6.1 is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 6 from a legal or commercial perspective on behalf of the Bondholders.

7. BONDS IN BOOK-ENTRY FORM

7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the relevant securities legislation and the CSD Regulations. Registration requests relating to the Bonds shall be directed to an Account Operator.

7.2 The Issuer shall at all times ensure that the registration of the Bonds in the CSD is correct and shall as soon as practicably possible after any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation. The Issuer shall ensure that the Agent is provided with a copy of any notification given to the CSD.

7.3 In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

7.4 The information referred to in Clause 7.3 above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

8.1 If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such Person.

8.2 If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents (without obtaining a power of attorney or other proof

of authorisation pursuant to Clause 8.1), it must obtain other proof of ownership of the Bonds, acceptable to the Agent.

8.3 A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in Clause 8.2) may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent such Person by way of a further power of attorney.

8.4 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 8.3 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

8.5 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9. PAYMENTS IN RESPECT OF THE BONDS

9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase or prepayment of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such Person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant due date, by way of (if no specific order is made by the Agent) crediting the relevant amount to the bank account nominated by such Bondholder in connection with its Securities Account with the CSD.

9.2 Payment constituting good discharge of the Issuer's payment obligations to the Bondholder under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

9.3 If a Payment Date or a date for other payments to the Bondholders pursuant to these Terms and Conditions falls on a day on which is not a CSD Business Day and a Business Day, the payment shall be made on the first following possible day on which is both a CSD Business Day and a Business Day, unless any provision to the contrary have been set out for such payment in these Terms and Conditions.

9.4 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.

9.5 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.

9.6 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payment made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

9.7 The Issuer shall pay any stamp duty and other public fees accruing in connection with the issuance of the Bonds, and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer is not liable to reimburse any stamp duty or public fee or to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

9.8 All amounts payable under these Terms and Conditions shall be payable in the currency of the Bonds set out in Clause 2.1. If, however, the currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

9.9 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

10. INTEREST

10.1 Each Bond will accrue Interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

10.3 Interest shall be payable quarterly in arrear on the Interest Payment Dates each year. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis), adjusted modified following basis.

10.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

11. REDEMPTION AND REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest.

11.2 **Purchase of Bonds by Group Companies**

11.2.1 Any Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.

11.2.2 Bonds held by a Group Company may at such Group Company's discretion be retained or sold but not cancelled, except if held by the Issuer and cancelled in connection with a redemption of the Bonds in full.

11.3 **Voluntary total redemption (call option)**

11.3.1 The Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from and including:

(a) the Issue Date to, but not including, the First Call Date at a price equal to the sum of (i) 104.00 per cent. of the Outstanding Nominal Amount of the Bonds and (ii) the remaining interest payments up to, but not including, the First Call Date;

(b) the First Call Date to, but not including, the date falling thirty (30) months after the Issue Date at a price equal to 104.00 per cent. of the Outstanding Nominal Amount of the Bonds;

(c) the date falling thirty (30) months after the Issue Date to, but not including, the date falling thirty-six (36) months after the Issue Date at a price equal to 102.50 per cent. of the Outstanding Nominal Amount of the Bonds;

(d) the date falling thirty-six (36) months after the Issue Date to, but not including, the date falling forty-two (42) months after the Issue Date at a price equal to 101.00 per cent. of the Outstanding Nominal Amount of the Bonds; and

(e) the date falling forty-two (42) months after the Issue Date to, but not including, the Final Maturity Date at a price equal to 100.50 per cent. of the Outstanding Nominal Amount of the Bonds,

in each case (other than paragraph (a)) above) together with accrued and unpaid interest on the Bonds.

11.3.2 For the purpose of calculating the remaining interest payments pursuant to Clause 11.3.1(a) above it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

11.3.3 Redemption in accordance with this Clause 11.3 (*Voluntary total redemption (call option)*) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon

fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

11.4 **Voluntary partial redemption (Equity Claw Back)**

11.4.1 Following an Equity Listing Event, the Issuer may on one occasion use the proceeds of such Equity Listing Event to repay up to thirty-five (35) per cent. of the Outstanding Nominal Amount of the Bonds.

11.4.2 The repayment must occur on an Interest Payment Date within one hundred and eighty (180) days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event).

11.4.3 The repayment per Bond shall equal the price set out under Clause 11.3 (*Voluntary total redemption (call option)*) above for the relevant period in which the repayment occurs, in each case together with accrued but unpaid interest on the repaid amount.

11.4.4 Partial redemption in accordance with Clause 11.4 (*Voluntary partial redemption (Equity Claw Back)*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable.

11.5 **Mandatory repurchase due to a Change of Control Event (put option)**

11.5.1 Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of forty-five (45) days from the effective date of a notice from the Issuer of the Change of Control Event, pursuant to paragraph (e) of Clause 14.1.1 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.

11.5.2 The notice from the Issuer pursuant to paragraph (e) of Clause 14.1.1 shall specify the period during which the right pursuant to Clause 11.5.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall procure that the Paying Agent will repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 14.1.1. The Redemption Date shall occur on a CSD Business Day within ten (10) Business Days after the end of the period referred to in Clause 11.5.1.

11.5.3 If Bondholders representing more than eighty (80) per cent. of the Adjusted Nominal Amount have requested that Bonds held by them are repurchased pursuant to this Clause 11.5, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Clause 11.5.1, send a notice to the remaining Bondholders, if any, giving them a further opportunity to request that Bonds held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption

Date and also include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall procure that the Paying Agent will repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 11.5.3. The Redemption Date must fall on a CSD Business Day no later than ten (10) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 11.5.3.

11.5.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.

11.5.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within ten (10) Business Days after the expiry of the time limit.

11.5.6 No repurchase of Bonds pursuant to this Clause 11.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

11.6 **Voluntary total redemption – Permitted Transferee Voting (call option)**

11.6.1 If the Issuer has received a negative outcome in a Permitted Transferee Voting, the Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from the Issue Date to, but not including, the First Call Date at a price equal to 105.00 per cent. of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest on the Bonds.

11.6.2 Redemption in accordance with this Clause 11.6 (*Voluntary total redemption – Permitted Transferee Voting (call option)*) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date.

11.7 **Partial prepayment**

11.7.1 If the Issuer shall incur Super Senior Debt and it is necessary to decrease the Outstanding Nominal Amount under the Bonds in order to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness, the Issuer may carry out a partial prepayment of outstanding Bonds up to the amount necessary to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness (considering the amount to be paid out under the relevant Super Senior Debt and the reduction of the nominal amount of the Bonds needed to comply with such paragraph), and in any case not exceeding EUR 2,500,000, at price equal to 104.00 per cent. of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest,

by way of reducing the nominal amount of each Bond *pro rata* in accordance with the procedures of the CSD.

11.7.2 The right of partial prepayment may be exercised by the Issuer by notice to the Agent and the Bondholders at least ten (10) Business Days prior to the proposed prepayment date. Such notice sent by the Issuer shall specify the relevant Record Date and the relevant prepayment date.

11.8 **Mandatory total redemption**

11.8.1 If the conditions precedent for disbursement from the Escrow Account and the Existing Bonds Escrow Account set out in Clause 5.4 have not been fulfilled by the Issuer or waived by the Agent within sixty (60) days from the Issue Date (a "**Mandatory Redemption Event**"), the Issuer shall no later than five (5) Business Days thereafter, redeem all the Bonds at a price equal to 101.00 per cent. of the Issue Price thereof set out in Clause 2.3 (plus any accrued and unpaid interest on the Bonds to be redeemed), by the application of any amount deposited on the Escrow Account.

11.8.2 The Issuer may, if a Mandatory Redemption Event occurs, repay Initial Temporary Bonds with Existing Bonds (deposited on the Existing Bonds Escrow Account) as payment-in-kind to the holders of the Initial Temporary Bonds.

11.8.3 Any accrued and unpaid interest on the Initial Temporary Bonds shall be payable in cash, provided however, that the Issuer is entitled to withhold (by set-off) any accrued and unpaid interest on the Existing Bonds (used for repayment to each holder of Initial Temporary Bonds).

12. TRANSACTION SECURITY AND GUARANTEES

12.1 Subject to the Intercreditor Agreement (if entered into), as continuing security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that any other Group Company (as applicable) grants) as first ranking security to the Secured Parties (as represented by the Security Agent) the Transaction Security on the terms set out in the Security Documents.

12.2 Subject to the Intercreditor Agreement (if entered into), the Issuer guarantees (and shall procure that each Guarantor guarantees) irrevocably and unconditionally and jointly and severally (Sw. *proprieborgen*) to the Secured Parties (as represented by the Security Agent) as for its own debts (Sw. *såsom för egen skuld*) the full and punctual performance by the Group Companies of all their obligations under the Finance Documents on the terms set out in the Guarantee Agreement (including any accession letters thereto).

12.3 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee Agreement.

12.4 The Issuer undertakes to ensure that each Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and/or Guarantee Agreement and any document, including any accession agreement, to be executed or supplied in relation thereto) as the Agent may reasonably request for the purposes of establishing the Security and/or the Guarantees.

12.5 The Issuer shall, in connection with the establishment of any Transaction Security and/or Guarantees:

(a) promptly supply to the Agent copies of the constitutional documents, copies of all corporate resolutions (including authorisations) required to execute the relevant Finance Documents, and copies of the register of shareholders (in each case) with respect to each relevant Group Company;

(b) ensure that each relevant Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and the Guarantee Agreement and any document, including accession agreements, to be executed or supplied in relation thereto) as necessary for the purposes of establishing the Security and/or the Guarantees; and

(c) provide to the Agent legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or agreed between the Issuer and the Agent) in respect of the relevant Group Companies' capacity and authority to enter into, as well as the enforceability of, any Security Documents and the Guarantee Agreement.

12.6 All Security provided under the Security Documents and all Guarantees provided under the Guarantee Agreement shall be subject to, and limited as required by the agreed security principles set out in the annex hereto (the "**Agreed Security Principles**").

12.7 Subject to the Intercreditor Agreement (if entered into), unless and until the Agent has received instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantees, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security and/or the Guarantees, in each case in accordance with the terms of the Finance Documents.

12.8 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Bonds are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 12.8.

12.9 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall be entitled to release all Transaction Security and the Guarantees when it is satisfied of the full discharge of the Secured Obligations.

12.10 Any Security provided under the Security Documents and any Guarantee provided under the Guarantee Agreement shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement (if entered into).

13. FINANCIAL UNDERTAKINGS

13.1 Definitions

For the purpose of this Clause 13, the following terms shall have the meaning set out below:

"**Equity Cure**" means a cash injection from shareholders to the Issuer in accordance with Clause 13.2.3.

"**Finance Charges**" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable in cash or capitalised by any Group Company according to the latest Financial Reports (calculated on a consolidated basis), excluding any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

"**Group EBITDA**" means, for the relevant period, the consolidated profit of the Group from ordinary activities according to the latest financial reports, without double-counting and in each case, if and only to the extent, these items arise during the Relevant Period:

(a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;

(b) before deducting any Net Finance Charges;

(c) excluding any "*Exceptional Items*" (positive or negative) of a one off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including, without limitation, costs, fees and expenses in connection with any acquisition, restructuring expenditures (in each case, whether or not successful)), provided that such items in no event shall exceed in aggregate ten (10) per cent. of Group EBITDA in any Relevant Period;

(d) before deducting any Transaction Costs;

(e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

(f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;

(g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests which is not included in the financial statements;

(h) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group;

(i) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and

(j) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of the Group Companies (including goodwill or other tangible assets).

"**Interest Coverage Ratio**" means the ratio of Group EBITDA to Net Interest Expenses.

"**Interest Expenses**" means, for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, premiums or charges paid or payable by any member of the Group calculated on a consolidated basis in cash in respect of any Net Interest Bearing Debt:

(a) excluding any agency, arrangement, underwriting, amendment, consent, one-off or other upfront fees or costs in respect of any Financial Indebtedness;

(b) excluding the capital element of payments in respect of Finance Leases;

(c) excluding any non-cash pay interest on any Financial Indebtedness and any interest (capitalised or otherwise) accrued on any shareholder contribution and/or subordinated debt; and

(d) excluding any interest cost or expected return on plan assets in relation to any postemployment benefit schemes.

"**Leverage Ratio**" means the ratio of Net Interest Bearing Debt to Group EBITDA.

"**Net Finance Charges**" means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income received or receivable by any Group Company.

"**Net Interest Bearing Debt**" means the aggregate interest bearing Financial Indebtedness of the Group, excluding:

(a) any Shareholder Loans;

(b) any Financial Indebtedness owing by a Group Company to another Group Company constituting Permitted Financial Indebtedness;

(c) any Bonds owned by the Issuer; and

(d) any pension and tax liabilities,

less cash and cash equivalents (excluding funds held on the Escrow Account) of the Group in accordance with the Applicable Accounting Principles. For the avoidance of doubt, guarantees and bank guarantees shall not constitute Net Interest Bearing Debt.

"**Net Interest Expenses**" means, for any Relevant Period, the Interest Expenses for that Relevant Period after deducting any interest accrued (whether or not paid) in that Relevant Period to any member of the Group and any interest income received on any bank deposit, cash or cash equivalent investment.

"**Pre-IFRS 16 Group EBITDA**" means the Group EBITDA minus the interest expenses in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Principles applicable prior to 1 January 2019, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability.

"**Pre-IFRS 16 Leverage Ratio**" means the ratio of Pre-IFRS 16 Net Interest Bearing Debt to Pre-IFRS 16 Group EBITDA.

"**Pre-IFRS 16 Net Interest Bearing Debt**" means the Net Interest Bearing Debt excluding any Financial Indebtedness under any lease or hire purchase contract which

would, in accordance with the Applicable Accounting Principles applicable prior to 1 January 2019, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability.

"**Relevant Period**" means each period of twelve (12) consecutive calendar months to the relevant test date.

13.2 **Maintenance Test**

13.2.1 The Maintenance Test is met if:

(a) the Leverage Ratio is equal to or less than:

(i) 5.00:1.00 from, and including, the Issue Date to, and including, 30 June 2024;

(ii) 4.75:1.00 from, and including, 1 July 2024 to, and including, 30 June 2025;

(iii) 4.50:1.00 from, and including, 1 July 2025 to, and including, 30 June 2026;

(iv) 4.25:1.00 from, and including, 1 July 2026 to, and including, 30 June 2027; and

(v) 4.00:1.00 from, and including, 1 July 2027 to, and including, the Final Maturity Date; and

(b) the Pre-IFRS 16 Leverage Ratio is equal to or less than:

(i) 6.00:1.00 from, and including, the Issue Date to, and including, 30 June 2024;

(ii) 5.70:1.00 from, and including, 1 July 2024 to, and including, 30 June 2025;

(iii) 5.40:1.00 from, and including, 1 July 2025 to, and including, 30 June 2026;

(iv) 5.10:1.00 from, and including, 1 July 2026 to, and including, 30 June 2027; and

(v) 4.75:1.00 from, and including, 1 July 2027 to, and including, the Final Maturity Date; and

(c) no Event of Default is continuing.

13.2.2 The Maintenance Test shall be tested quarterly and calculated in accordance with the accounting principles applicable to the Issuer and tested by reference to the Financial Report for the period ending on each Reference Date with respect to the Relevant Period ending on such Reference Date. The first test of the Maintenance Test shall be made in relation to the Relevant Period ending on 31 March 2024.

13.2.3 If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have

been delivered in accordance with these Terms and Conditions, the Issuer has received an equity injection in cash by way of share issue in the Issuer, unconditional shareholder contribution to the Issuer, or Shareholder Loans to the Issuer, in an amount sufficient (or such higher amount as agreed between the Issuer and the shareholder) to ensure compliance with the Maintenance Test as at the relevant Reference Date (the "Cure Amount").

13.2.4 Upon receipt of the Cure Amount, the calculation of the Leverage Ratio and Pre-IFRS 16 Leverage Ratio shall, for the purposes of the calculation of the Maintenance Test, be adjusted so that the Net Interest Bearing Debt and the Pre-IFRS 16 Net Interest Bearing Debt for the Relevant Period is reduced by an amount equal to the Cure Amount. Any Equity Cure made in any calendar quarter shall be included in all relevant covenant calculations or recalculations until such time as that calendar quarter falls outside the Relevant Period. For the avoidance of doubt, there shall be no EBITDA cure.

13.2.5 Any Equity Cure must be made in cash to the Issuer and no more than two (2) Equity Cures may be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

13.3 Incurrence Test

13.3.1 The Incurrence Test is met if:

(a) the Leverage Ratio is less than:

(i) 3.50:1.00 from, and including, the Issue Date to, but excluding, the date falling twelve (12) months after the Issue Date;

(ii) 3.25:1.00 from, and including, the date falling twelve (12) months after the Issue Date to, but excluding, the date falling twenty-four (24) months after the Issue Date;

(iii) 3.00:1.00 from, and including, the date falling twenty-four (24) months after the Issue Date to, but excluding, the date falling thirty-six (36) months after the Issue Date; and

(iv) 2.75:1.00 from, and including the date falling thirty-six (36) months after the Issue Date to, but excluding, the Final Maturity Date,

(b) the Interest Coverage Ratio is greater than 2.50:1.00, and

(c) no Event of Default is continuing or would occur upon the relevant incurrence.

13.4 Distribution Test

13.4.1 The Distribution Test is met if:

(a) the Leverage Ratio is equal to or less than 2.00:1.00 (calculated *pro forma* including the relevant Restricted Payment);

(b) the Interest Coverage Ratio is greater than 2.50:1.00; and

(c) no Event of Default is continuing or would occur upon the making of the relevant Restricted Payment.

13.5 Super Senior Incurrence Test

13.5.1 The Super Senior Incurrence Test is met if:

(a) the Leverage Ratio is less than 3.00:1.00; and

(b) no Event of Default is continuing or would occur upon the incurrence of the relevant Super Senior Debt.

13.6 Calculations and Calculation Adjustments

13.6.1 The calculation of the Interest Coverage Ratio, Leverage Ratio and Pre-IFRS 16 Leverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report.

13.6.2 Net Interest Bearing Debt shall be measured on the last day of the period covered by the most recent Financial Report, however so that (a) the full commitment of any new Financial Indebtedness in respect of which the Incurrence Test or Super Senior Incurrence Test (as applicable) shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt, and (b) that any cash balance/proceeds resulting from the incurrence of such new Financial Indebtedness shall not reduce the Net Interest Bearing Debt.

13.6.3 The figures for Group EBITDA and Pre-IFRS 16 Group EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, the Distribution Test, the Super Senior Incurrence Test and the Maintenance Test, but adjusted so that:

(a) entities acquired or disposed of by the Group, or any increased ownership share in a Group Company, during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and

(b) in relation to the Incurrence Test and the Super Senior Incurrence Test only, any entity to be acquired, or any ownership share in a Group Company to be increased, with the proceeds from the new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

13.7 Change in Applicable Accounting Principles

The financial maintenance covenants and any incurrence test shall be calculated in accordance with the Applicable Accounting Principles unless, there has been a change in the Applicable Accounting Principles after the Issue Date, and the Issuer delivers to the Agent a statement (in form and content satisfactory to the Agent) (i) describing in reasonable detail any change necessary for those financial statements to reflect the Applicable Accounting Principles as of the Issued Date and (ii) confirming that the relevant financial maintenance covenants or incurrence test would still have been complied with had such changes not been made.

14. INFORMATION TO BONDHOLDERS

14.1 Information from the Issuer

14.1.1 The Issuer shall:

(a) prepare and make available the annual audited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than four (4) months after the expiry of each financial year;

(b) starting with the quarter ending 31 March 2024, prepare and make available the quarterly interim unaudited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than two (2) months after the expiry of each relevant interim period;

(c) issue a Compliance Certificate to the Agent in connection with:

(i) the incurrence of debt pursuant to paragraph (q) or (u)(B) of the definition of "*Permitted Financial Indebtedness*", which requires that the Incurrence Test or Super Senior Incurrence Test, as applicable, is met;

(ii) the making of a Restricted Payment in accordance with Clause 15.1 (*Distributions*) (other than with respect to any payment made in accordance with Clause 3.1);

(iii) the delivery of the Financial Reports;

(iv) acquisition of entities in excess of five (5) per cent. of Group EBITDA referred to under (b) of Clause 15.14 (*Nomination of Material Group Companies*); and

(v) the Agent's reasonable request, within twenty (20) days from such request.

(d) following the Issue Date, keep the latest version of these Terms and Conditions available on the website of the Issuer; and

(e) promptly notify the Agent (and, as regards a Change of Control Event, the Bondholders and the Agent) when the Issuer is or becomes aware of the occurrence of a Change of Control Event or Event of Default, and shall provide the Agent with such further information as the Agent may request following receipt of such notice. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

14.1.2 Once the Bonds have been admitted to trading on Nasdaq Stockholm (or another Regulated Market), the consolidated reports on the Group referred to under paragraphs (a) and (b) of Clause 14.1.1 in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (or

another Regulated Market) (as amended from time to time) and the Swedish Securities Market Act, (if applicable).

14.1.3 The Issuer shall on the earlier of when the financial statements pursuant to Clause 14.1.1 (i) are made available, or (ii) should have been made available, submit to the Agent a compliance certificate substantially in the form set out in a schedule to these Terms and Conditions (a "**Compliance Certificate**"), signed by the CEO, CFO or any other authorised signatory of the Issuer, (a) certifying that, so far as he or she is aware, no Event of Default is continuing or, if he or she is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; (b) if provided in connection with a Financial Report being made available, certifying that the Maintenance Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); (c) if provided in connection with the testing of the Incurrence Test, Super Senior Incurrence Test or the Distribution Test, certifying that the relevant test is met and including calculations and figures in respect of the relevant test; (d) in the case of a Compliance Certificate provided in connection with the delivery of the audited annual consolidated statements of the Group, or an acquisition referred to in (b) of Clause 15.14 (*Nomination of Material Group Companies*) above, including the identity of each Material Group Company; and (e) in addition, if provided in connection with the delivery of the annual audited consolidated financial statements of the Group, certifying that that the Group is in compliance with the undertaking set out in Clause 15.18 (*Clean down*).

14.2 Information from the Agent

14.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 14.2.2, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 16.4 and 16.5).

14.2.2 If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

14.3 Information among the Bondholders

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

15. GENERAL UNDERTAKINGS

15.1 Distributions

15.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares (other than to the Issuer, a Guarantor or a wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned,

is made *pro rata* to the Group's ownership percentage in such Subsidiary), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay any Shareholder Loans, or (v) make any other similar distribution or transfers of value to any direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer, other than to the Issuer, a Guarantor or a directly or indirectly wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned, is made *pro rata* to the Group's ownership percentage in such Subsidiary, ((i)–(v) each being a "**Restricted Payment**").

15.1.2 Notwithstanding the above, a Restricted Payment may be made by the Issuer, provided that (A) the Distribution Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment), (B) the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed fifty (50) per cent. of the Group's consolidated net income for the previous financial year, and (C) no Event of Default is continuing or would result from such distribution.

15.2 **Disposals**

Subject to the terms of the Intercreditor Agreement (if entered into), the Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of any shares in, or any assets, business or operations of, any Group Company to any Person (not being the Issuer or any other wholly-owned Group Company), unless such disposal (taken as a whole also taking into account any transaction ancillary or related thereto) (i) is carried out at fair market value and on terms and conditions customary for such transaction, (ii) is not prohibited by, and subject to the terms, of any Security Document and (iii) does not have a Material Adverse Effect, provided that under no circumstances shall a disposal to any Person (not being the Issuer or any other wholly-owned Group Company) of shares in a Material Group Company or all or substantially all of the assets, business or operations of a Material Group Company be permitted. Notwithstanding the above, any Group Company may, following the exit of a sales partner of the Group and the concurrent transfer of such sales partner's sales network to any Group Company, transfer such sales network to a remaining sales partner of the Group in the ordinary course of business, provided that such transfer does not have a Material Adverse Effect. The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

15.3 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur or maintain any Financial Indebtedness other than Permitted Financial Indebtedness.

15.4 **Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, other than Permitted Security.

15.5 **Loans out**

15.5.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, provide any loan in any form to any party, other than:

(a) (A) in the case of the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH, directly to their respective direct wholly-owned subsidiaries only and (B) any Structural Intercompany Loans;

(a) in the case of any Group Companies (other than the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH), (A) to any directly or indirectly owned Group Company (subject to the limitations on incurrence of Financial Indebtedness set out in (f) and (t) of the definition of "*Permitted Financial Indebtedness*")), provided that if made from a Group Company to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, such loan is made on a *pro rata* basis; (B) in the form of any advances or extensions of credit to customers or suppliers of any Person in the ordinary course of business; or (C) any loans between Group Companies that are Guarantors or Material Group Companies;

(b) a loan made by a member of the Group to an employee or sales partner of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and sales partners by members of the Group does not exceed EUR 3,000,000 (or its equivalent) at any time; and

(c) any loan by a Material Group Company to the Ahlen PropCo in connection with the Ahlen Sale and Leaseback Arrangements up to a total aggregate amount of EUR 5,000,000, provided that such loan is repaid in full upon the sale, or set off against the repurchase price upon the repurchase, of the Ahlen Property as contemplated by the Ahlen Sale and Leaseback Arrangements.

15.6 **Nature of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by it or by the Group taken as a whole as of the Issue Date if such substantial change would result in a Material Adverse Effect.

15.7 **Corporate status**

For the purposes of The Council of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation**"), the Issuer's centre of main interest (as that term is used in Article 3(1) of the Regulation) shall be situated in its original jurisdiction of incorporation.

15.8 **Authorisations**

The Issuer shall, and shall ensure that all other Group Companies will, obtain, comply with, renew and do all that is necessary to maintain in full force and effect any licences, authorisation or any other consents required to enable it to carry on its business, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.9 **Insurance**

The Issuer shall, and shall ensure that all other Group Companies will, maintain insurance on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

15.10 **Compliance with laws**

The Issuer shall, and shall ensure that all other Group Companies will, comply with all laws and regulations it or they may be subject to from time to time, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.11 **Environmental compliance**

The Issuer shall obtain, maintain, and ensure compliance with all requisite environmental permits, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.12 **Dealings with related parties**

Other than as otherwise permitted under the Finance Documents, the Issuer shall, and shall ensure that all other Group Companies will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm's length terms. For the avoidance of doubt, the exercise of any buy back option under the Ahlen Sale and Leaseback Arrangements shall be permitted under these Terms and Conditions.

15.13 **Intellectual Property**

The Issuer shall, and shall ensure that all other Group Companies will, (i) preserve and maintain all Intellectual Property material to conduct the business of the Group, and (ii) take all measures to ensure that such intellectual property rights remain valid and in full force and effect, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.14 **Nomination of Material Group Companies**

On:

(a) the Issue Date and thereafter once every year simultaneously with the publication by the Issuer of the annual audited consolidated financial statements of the Group; and

(b) the date of acquisition of any assets by a Group Company for a consideration equal to or in excess of five (5) per cent. of Group EBITDA and based on the most recent financial statements of the Issuer,

the Issuer shall:

(i) ensure that:

(A) each Group Company which on an unconsolidated basis has earnings before interest, tax, depreciation and amortisation ("**EBITDA**"), (calculated at an unconsolidated level on the same basis as Group EBITDA except that the limit on "*Exceptional Items*" set out therein shall not apply to unconsolidated calculations with respect to such Group Company) representing five (5) per cent. (or, in the case of Group Companies incorporated in Turkey or Russia, ten (10) per cent.) or more of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo); and

(B) such Group Companies (excluding any Group Company incorporated in an Excluded Jurisdiction) as are necessary to ensure that the Issuer and the Material Group Companies in aggregate represent on an unconsolidated basis at least ninety (90) per cent. of the aggregated unconsolidated EBITDA of all Group Companies

(excluding Ahlen PropCo and any Group Company incorporated in an Excluded Jurisdiction),

in each case determined by reference to (y) in the case of the Issue Date and any acquisition under (b) above, the date of the most recent financial statements of the Issuer, and (z) in all other cases, determined by reference to the relevant Compliance Certificate and the related audited consolidated annual financial statements of the Group, and in each case the most recent consolidated financial statements of the relevant companies, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto, provided that under no circumstances shall Ahlen PropCo be required to be nominated as a Material Group Company or accede as a Guarantor; and

(ii) ensure that:

(A) first priority pledges are granted over the shares in each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction or the direct subsidiary of such Group Company) and any Group Company owning directly or indirectly such Material Group Company, to the extent not already pledged;

(B) first priority pledges are granted over the bank accounts located in Germany of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);

(C) security is granted in respect of a German law security transfer of inventory located in Germany, of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);

(D) each such Material Group Company and any Group Company owning directly or indirectly such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction) accedes as a (i) Guarantor to the Guarantee Agreement and (ii) ICA Group Company to the Intercreditor Agreement (if and when entered into),

in each case as soon as reasonably practicable, and in any event no later than the date falling ninety (90) Business Days after its nomination.

15.15 **Admission to trading**

15.15.1 The Issuer shall ensure that:

(a) the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably practicable and within sixty (60) days of the Issue Date, with an intention to complete such listing within thirty (30) days after the Issue Date; and

(b) the Bonds, once listed on the Open Market of the Frankfurt Stock Exchange, remain listed on such exchange until the Bonds have been redeemed in full; and

15.15.2 The Issuer shall ensure that:

(a) the Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or another Regulated Market within twelve (12) months of the Issue Date; and

(b) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue to be admitted to trading thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations (including any regulations preventing trading in the Bonds in close connection to the redemption thereof) of Nasdaq Stockholm (or any other applicable Regulated Market) and the CSD, subsist.

15.16 **Conditions subsequent**

Subject to the Agreed Security Principles and the Intercreditor Agreement (if entered into), the Issuer shall ensure that (i) Post-Disbursement Security and Guarantees, and (ii) any Security and/or Guarantees required to be put in place in connection with the guarantor coverage test provided for under Clause 15.14 (*Nomination of Material Group Companies*) is within the allocated period validly granted and, in accordance with the related security documents perfected, in each case in a form and substance reasonably satisfactory to the Agent, and, to the extent required by the Agent, as confirmed by legal opinions covering grounds substantially similar to the legal opinions delivered in respect of Disbursement Security and Guarantees.

15.17 **Intellectual Property Security**

The Issuer shall procure that LR Health & Beauty Systems GmbH will hold all material intellectual property rights on behalf of the Group (other than local trademarks registered outside Germany), and shall, subject to the Agreed Security Principles, ensure that first priority Security over present and future German trademarks, EU trademarks (but excluding local law registrations (if any) other than Germany) and IR trademarks is granted.

15.18 **Clean down**

The Issuer shall procure that during each calendar year there shall be a period of five (5) consecutive days during which the amount outstanding under the Super Senior Debt (excluding any non-cash elements of any ancillary facilities), less cash and cash equivalents of the Group, amounts to zero or less. Not less than three (3) months shall elapse between two such periods. Compliance shall be confirmed in the Compliance Certificate issued together with each annual audited consolidated financial statements of the Group.

15.19 **Undertakings relating to the Agency Agreement**

15.19.1 The Issuer shall, in accordance with the Agency Agreement:

(a) pay fees to the Agent;

(b) indemnify the Agent for costs, losses and liabilities;

(c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and

(d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

15.19.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

15.20 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

16. ACCELERATION OF THE BONDS

16.1 Subject to the Intercreditor Agreement (if entered into), the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 16.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) **Non-payment**

The Issuer or a Guarantor does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

(i) is caused by technical or administrative error; and

(ii) is remedied within five (5) Business Days from the due date.

(b) **Maintenance Test**

The Issuer fails to comply with the Maintenance Test, except to the extent remedied in accordance with the Equity Cure.

(c) **Other obligations**

The Issuer or a Guarantor does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:

(i) is capable of remedy; and

(ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant party becoming aware of the non-compliance.

(d) **Payment cross default and cross acceleration**

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this sub-paragraph (d) if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,500,000 (or its equivalent in any other currency) or such Financial Indebtedness is owed to another Group Company.

(e) **Insolvency**

(i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for holders of Bonds) with a view to rescheduling its Financial Indebtedness; or

(ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

(f) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to Subsidiaries, solvent liquidations) in relation to:

(i) the suspension of payments, winding up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;

(ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of their assets; or

(iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

(g) **Mergers and demergers**

Subject to the Intercreditor Agreement (if entered into) and as permitted under these Terms and Conditions, a decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

(h) **Creditors' process**

Any enforcement of security, expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 750,000 (or the equivalent) and is not discharged within sixty (60) days.

(i) **Unlawfulness, Invalidity, Repudiation**

It becomes impossible or unlawful for the Issuer or any Material Group Company to fulfil or perform any of the provisions of the Finance Document or the Security created or expressed to be created thereby is varied or ceases to be effective and

such impossibility, unlawfulness, invalidity, ineffectiveness or variation has a material detrimental effect on the interests of the Bondholders.

(j) **Continuation of business**

The Issuer or any other Material Group Company ceases to carry on its business except if due to (i) a disposal not prohibited by Clause 15.2 (*Disposals*), or (ii) a merger or demerger not prohibited by (g) *"Mergers and demergers*" above.

16.2 The Agent may not accelerate the Bonds in accordance with Clause 16.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

16.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.

16.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 16.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.

16.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*).

16.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

16.7 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitrational tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

16.8 In the event of an acceleration of the Bonds in accordance with this Clause 16, the Issuer shall redeem all Bonds at an amount per Bond as specified in Clause 11.3 (*Voluntary total redemption (call option)*), together with accrued but unpaid Interest.

17. DISTRIBUTION OF PROCEEDS

17.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 16 (*Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security and/or the Guarantees shall be made and/or distributed in accordance with the Intercreditor Agreement (if entered into), and shall prior to the entering into of the Intercreditor Agreement, be made and/or distributed in the following order of priority, in accordance with the instructions of the Agent:

(a) *first*, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security and/or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent or the Security Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2.5, together with default interest in accordance with Clause 10.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

(b) *secondly*, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

(c) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and

(d) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 10.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall, prior to the entering into of the Intercreditor Agreement, be paid to the Issuer or the Guarantors (as applicable). The application of proceeds in accordance with Clause 17.1 shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) or default interest in accordance with Clause 10.4 shall be reduced without a corresponding reduction of principal.

17.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1(a).

17.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security and/or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 17 as soon as reasonably practicable.

17.4 If either the Issuer or the Agent makes any payment under this Clause 17 the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the

foregoing, for any Interest due but unpaid, the Record Date specified in Clause 9.1 shall apply.

18. DECISIONS BY BONDHOLDERS

18.1 Request for a decision

18.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.

18.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

18.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.

18.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.

18.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead.

18.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 18.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 18.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18.2 (*Convening of Bondholders' Meeting*). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

18.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 18.1.5 or 18.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

18.2 **Convening of Bondholders' Meeting**

18.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.2.2 The notice pursuant to Clause 18.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must always be set out in the notice. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

18.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

18.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18.3 **Instigation of Written Procedure**

18.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.3.2 A communication pursuant to Clause 18.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 18.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must always be set out in the notice. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

18.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 18.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18.4.2 and 18.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.4.2 or 18.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18.4 **Majority, quorum and other provisions**

18.4.1 Only a Bondholder, or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 8 (*Right to Act on behalf of a Bondholder*) from a Bondholder:

(a) on the Record Date specified in the notice pursuant to Clause 18.2.2, in respect of a Bondholders' Meeting, or

(b) on the Business Day specified in the communication pursuant to Clause 18.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a Person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

18.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2:

(a) if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 130,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Bonds are issued);

(b) a change to the terms of any of Clause 2.1, and Clauses 2.6 to 2.102.10;

(c) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 11 (*Redemption and Repurchase of the Bonds*);

(d) a change to the Interest Rate (other than as a result of an application of Clause 20 (*Base rate replacement*)) or the Nominal Amount, subject to the splitting right of the Agent and/or the Paying Agent;

(e) a change to the terms for the distribution of proceeds set out in Clause 17 (*Distribution of Proceeds*);

(f) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 18.4 (*Majority, quorum and other provisions*);

(g) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;

(h) a release of the Transaction Security and/or the Guarantees, except in accordance with the terms of the Finance Documents;

(i) a mandatory exchange of the Bonds for other securities; and

(j) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 16 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

18.4.3 Any matter not covered by Clause 18.4.2 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a), (b) or (d)), an acceleration of the Bonds, or the enforcement of any Transaction Security and/or Guarantees.

18.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount, or in the case of a matter referred to in Clause 18.4.2 or in case of a Permitted Transferee Voting, at least fifty (50) per cent. of the Adjusted Nominal Amount:

(a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 18.2.4 (or appear through duly authorised representatives); or

(b) if in respect of a Written Procedure, reply to the request.

18.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

18.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.2.1) or initiate a second Written Procedure (in accordance with Clause 18.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 18.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 18.2.1 or second Written Procedure pursuant to Clause 18.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.

18.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

18.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

18.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such Person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

18.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Bondholders.

18.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer, however provided that unless an Event of Default has occurred and is continuing or any event or circumstance has occurred which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, the Issuer and the Agent may require that any Bondholder (or Bondholders) having made a request for a decision by the Bondholders in accordance with Clause 18.1.2 reimburses any costs and expenses incurred by the Issuer or the Agent for the purpose of such Bondholders' Meeting or Written Procedure.

18.4.12 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.

18.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each Person registered as a Bondholder on the date referred to in Clause 18.4.1(a) or 18.4.1(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

19. AMENDMENTS AND WAIVERS

19.1 The Issuer, any other relevant Group Company, and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:

(a) is not detrimental to the interest of the Bondholders as a group;

(b) is made solely for the purpose of rectifying obvious errors and mistakes;

(c) is required or desirable to implement transactions permitted under any Senior Finance Document, including any transformation or merger of the Issuer to (or into) a Related Entity;

(d) is required by any applicable regulation, a court ruling or a decision by a relevant authority;

(e) has been duly approved by the Bondholders in accordance with Clause 18 (Decisions by Bondholders) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or

(f) is made pursuant to Clause 20 (Base rate replacement).

19.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

19.3 The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 19.1(a) or (d), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

19.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

20. BASE RATE REPLACEMENT

20.1 General

20.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 20 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

20.1.2 If a Base Rate Event has occurred, this Clause 20 shall take precedent over the fallbacks set out in paragraph (a) to (d) of the definition of EURIBOR.

20.2 Definitions

20.2.1 In this Clause 20:

"**Adjustment Spread**" means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

(a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or

(b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to minimise any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

"**Base Rate Amendments**" has the meaning set forth in Clause 20.3.4.

"**Base Rate Event**" means one or several of the following circumstances:

(a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;

(b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;

(c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended

to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;

(d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that it is unlawful for the Issuer or the Paying Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period); or

(e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*), or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above.

"**Base Rate Event Announcement**" means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

"**Independent Adviser**" means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

"**Relevant Nominating Body**" means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Board or any part thereof.

"**Successor Base Rate**" means:

(a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or

(b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply *mutatis mutandis* to such new Successor Base Rate.

20.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

20.3.1 Without prejudice to Clause 20.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 20.3.2.

20.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to determine, as soon as

commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.

20.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 20.3.2, within thirty (30) calendar days, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 20.3.2.

20.3.4 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").

20.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, taking into account any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

20.4 **Interim measures**

20.4.1 If Base Rate Event has occurred but no Successor Base Rate and Adjustment Spread have been determined prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:

(a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or

(b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

20.4.2 For the avoidance of doubt, Clause 20.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20.

20.5 **Notices**

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 26 (*Communications and press releases*) and the CSD. The notice shall also include the time when the amendments will become effective.

20.6 **Variation upon replacement of Base Rate**

20.6.1 No later than giving the Agent notice pursuant to Clause 20.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and a duly authorised signatory of the Issuer confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 20 . The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest

error or bad faith in any determination, be binding on the Issuer, the Agent, the Paying Agent and the Bondholders.

20.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 20.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 20.

20.6.3 The Agent and the Paying Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 20. Neither the Agent nor the Paying Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Paying Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Paying Agent in the Terms and Conditions.

20.7 **Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 20.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

21. THE AGENT

21.1 **Appointment of the Agent and the Security Agent**

21.1.1 By subscribing for Bonds, each initial Bondholder:

(a) appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents (including, with respect to German law governed security interest, pursuant to the terms of clause 7.2 (*Appointment as agent and administrator in relation to German Transaction Security*) of the Guarantee Agreement), and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and/or the Guarantees.

(b) confirms the appointment under the Guarantee Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Guarantee Agreement.

21.1.2 By acquiring Bonds, each subsequent Bondholder confirms and repeats such appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1.1.

21.1.3 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

21.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

21.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent and Security Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

21.1.6 The Agent may act as agent, security agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

21.2 **Duties of the Agent**

21.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or the Guarantees on behalf of the Bondholders.

21.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

21.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

21.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.

21.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

21.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the

Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, (iv) when the Agent is otherwise required to make a determination under these Terms and Conditions or (v) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of Proceeds*).

21.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

21.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred or is expected to occur, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

21.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 14.1.2 and as otherwise agreed between the Issuer and the Agent, and (ii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Incurrence Test, Maintenance Test or Distribution Test, as applicable. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.9.

21.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

21.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.

21.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

21.2.13 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of

any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.12.

21.2.14 The Agent may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

21.3 **Liability for the Agent**

21.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.

21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

21.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.

21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

21.4 **Replacement of the Agent**

21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

21.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within

thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.

21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

21.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 21.4.4 (ii) having lapsed.

21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

22. APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT

22.1 The Issuer appoints the Paying Agent to manage certain specified tasks relating to the Bonds, under these Terms and Conditions, in accordance with the legislation, rules and regulations applicable to the Issuer, the Bonds and/or under the CSD Regulations.

22.2 The Paying Agent may retire from its appointment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.

22.3 The Paying Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Paying Agent shall never be responsible for indirect or consequential loss.

23. APPOINTMENT AND REPLACEMENT OF CSD

23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.

23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have

a negative effect on any Bondholder. The replacing CSD must be authorised to professionally conduct clearing operations and be authorised as a central securities depository in accordance with applicable law.

24. NO DIRECT ACTIONS BY BONDHOLDERS

24.1 Except as otherwise set out in the Intercreditor Agreement (if entered into), a Bondholder may not take any steps whatsoever against any Group Company or with respect to the Transaction Security and/or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.

24.2 Subject to the Intercreditor Agreement (if entered into), Clause 24.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1.3), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.13 before a Bondholder may take any action referred to in Clause 24.1.

24.3 The provisions of Clause 24.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

24.4 No personal liability shall attach to any director, officer or employee of any Group Company or any third party security provider for any representation or statement made by that Group Company in any Finance Document or certificate signed by a director, officer or employee save in the case of fraud in which case liability (if any) will be determined in accordance with applicable law. Such director, officer or employee will be entitled to enforce this provision as if it was an immediate beneficiary of this Clause and the Secured Parties may not take any steps whatsoever against any director, officer or employee.

25. PRESCRIPTION

25.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.

25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

26. COMMUNICATIONS AND PRESS RELEASES

26.1 Communications

26.1.1 Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer and the applicable Regulated Market (if the Bonds are admitted to trading). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

26.1.2 The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market (if the Bonds are admitted to trading).

26.1.3 Notwithstanding Clause 26.1.1 and provided that such written notification does not require the Bondholders to take any action under these Terms and Conditions, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only.

26.1.4 Unless otherwise specifically provided, all notices or other communications under or in connection with the Finance Documents between the Agent and/or the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:

(a) if by letter, when delivered at the address of the relevant party;

(b) if by e-mail, when received; and

(c) if by publication on a relevant information platform, when published.

26.1.5 The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone numbers and contact persons.

26.1.6 When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):

(a) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;

(b) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and

(c) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

26.1.7 Any notice or other communication pursuant to the Finance Documents shall be in English.

26.1.8 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

26.2 Press releases

26.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 11.3 (*Voluntary total redemption (call option)*), 11.4 (*Voluntary partial*

redemption (Equity Claw Back)), 11.6 (*Voluntary total redemption – Permitted Transferee Voting*), 11.7 (*Partial prepayment*), paragraph (e) of Clause 14.1.1 and Clauses 16.3, 18.2.1, 18.3.1, 18.4.13 and 19.2 shall also be published by way of press release by the Issuer.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

27. FORCE MAJEURE

27.1 Neither the Agent nor the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Paying Agent itself takes such measures, or is subject to such measures.

27.2 Should a Force Majeure Event arise which prevents the Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

27.3 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the applicable securities regulations which provisions shall take precedence.

28. GOVERNING LAW AND JURISDICTION

28.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

28.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

28.3 Notwithstanding the above, the Bonds shall be registered pursuant to the applicable securities regulations.

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