

SCANDINAVIAN Cosmetics

**AE4 2017 SWEDEN AB
PROSPECTUS REGARDING LISTING OF
SEK 405,000,000
SENIOR SECURED FLOATING RATE BONDS**

Issuing agent: ABG Sundal Collier ASA



The date of this Prospectus is 28 October 2020

This Prospectus is valid for up to twelve (12) months from the date hereof. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by AE4 2017 Sweden AB (the “**Issuer**”), registration number 59177-5266, in relation to the application for listing of bonds issued under the Issuer’s maximum SEK 500,000,000 senior secured callable floating rate bonds 2019/2024 with ISIN: SE0013358207 (the “**Bonds**”), which was issued on 8 November 2019 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at NASDAQ Stockholm AB (“**Nasdaq Stockholm**”). In this Prospectus, references to the “**Group**” mean the Issuer and its subsidiaries, from time to time. References to “**SEK**” refer to Swedish kronor.

This Prospectus has been prepared in accordance with the standards and requirements under 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**”) and the rules and regulations connected thereto, as applicable.

Unless otherwise stated or required by context, terms defined in the terms and conditions of the Bonds beginning on page 37 (the “**Terms and Conditions**”) shall have the same meaning when used in this Prospectus.

This Prospectus does not constitute 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 listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution requires an 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 “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws. Furthermore, the Issuer 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. The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense.

This Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (www.fi.se) and the Issuer’s web page (www.ae42017.com), and paper copies may be obtained from the Issuer.

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 Issuer. 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 Issuer and its subsidiaries 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.

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection “*Documents incorporated by reference*” under section “*Additional information*” below, and possible supplements to this Prospectus.

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 District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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RISK FACTORS

*Investments in the notes (the “**Bonds**”) involve inherent risks. These risks include, but are not limited to, risks attributable to AE4 2017 Sweden AB (the “**Issuer**” and together with its subsidiaries, the “**Group**”) and the Group’s operations, regulatory and financial risks and risks relating to the Bonds.*

The description below is based on information available as of the date of this Prospectus. In this section the Issuer’s material risk factors are illustrated and discussed. In each category of the below section, the most material risk, in the assessment of the Issuer based on the probability of their occurrence and the expected magnitude of their negative impact, are presented first. The subsequent risk factors are not ranked in order of materiality or probability of occurrence and thus presented in no particular order.

Before making a decision to invest in the Bonds, any potential investor should carefully consider the risk factors outlined below, as well as evaluate external factors, and make an independent evaluation.

Risks Relating to the Group

Risks related to supply and market behaviour

Medium level risks

Suppliers

As at the date of this Prospectus, the Group does not produce its own products, instead the Group’s ability to service its customers depends on the availability and timely supply of products from suppliers. The Group has approximately 50 agreements with brand owners. Inability to maintain a logistics network for deliveries or other problems in supplies, such as delays, incorrect or non-deliveries from suppliers could further entail that the Group’s deliveries are, in turn, delayed or must be discontinued, incomplete or incorrect, which could result in reduced sales and could have adverse consequences on the Group’s earnings and customer relationships. Conversely, there is a risk that the minimum purchase requirements in certain of the Group’s supply agreements may result in the Group having to purchase more products from the suppliers than the customers are willing to order based on the end consumer demand and generally the Group does not have the right to return unsold products to its suppliers, which may adversely affect the Group’s financial condition and results of operations. The Group is exposed to the risk of prices unilaterally being increased or that discounts are decreased by its suppliers. If the Group is unable to pass any such increase in purchasing costs on to its customers, or if the Group cannot increase sales volumes to offset rising purchasing costs and volume commitments towards its suppliers, the Group’s profitability would be adversely affected. Further, the Group’s sales are sourced from a broad range of suppliers of which the Group is dependent on a limited number of major suppliers for a large part of its business. The Group’s supplier agreements may also include exclusivity and non-compete provisions, which prohibit the Group from entering into agreements with competitors of its suppliers, thus limiting the ability of the Group to diversify the sourcing channels of its product portfolio. If any of the Group’s significant suppliers would terminate their contracts (e.g. due to the Group not meeting minimum purchase requirements or due to a change of ownership in the Group) or materially change the key terms such as terms of credit (days payable) and pricing in such contracts with the Group, the Group’s ability to manufacture its products time and cost efficiently and accordingly its profitability as well as revenues may be adversely affected.

COVID-19

The Group is to a certain extent reliant on the health of the economies of the Nordic countries in which it operates, but also the global economy to the extent it is reliant on suppliers outside the Nordic and Europe in particular. The ongoing coronavirus (“**COVID-19**”) outbreak emanating from China at the beginning of 2020 has resulted in increased travel restrictions, social distancing, extended shutdown of certain businesses and a general decrease in market activity since February 2020. The impact of COVID-19 on economic conditions is volatile and uncertain, and while the effect on the Group’s sales has been relatively limited to date, a protracted period of economic disruption may have a more significant effect on the Group’s business, including revenues, profitability and ability to source products in particular. While the Group has taken a number of significant actions relating to investments, purchasing and staffing in order to offset the negative effect on Group’s sales caused by the COVID-19 situation, these measures may not be sufficient to compensate for the negative impact

in the short term and, given the uncertainty around the future impact of COVID-19, the Group's financial situation may continue to be significantly adversely affected.

The measures that will be taken going forward by governments, regulators, communities and businesses (including the Group) to respond to the outbreak of COVID-19 could also lead to material or prolonged disruptions to the Group's supply chain. If current levels of economic deterioration and volatility continue or worsen, the Group may experience an adverse impact, which may be material, on its revenue and liquidity, and therefore each of the Issuer's and the Guarantors' ability to fulfil its obligations under the Bonds.

Low level risks

Customers

In 2019, approximately 55 per cent. of the Group's aggregate turnover was generated by its top five customers. Should the Group not be able to retain its most significant customers, should customers choose to terminate their contract on short notice (e.g. due to the Group's price adjustments or due to a change of ownership in the Group), should a material decrease in the demand from its most significant customers occur, or should the Group otherwise not be successful in attracting new customers, there is a risk that such events could have a material adverse effect on the Group's revenues.

Product liability and recall

The Group could be exposed to product liability or recall claims in the event that the use of products offered in the Group's product portfolio results, or is alleged to result or have a likelihood of resulting in, bodily injury such as allergies, eczema or similar medical conditions. There is a risk that any deficiencies in the products offered in the Group's product portfolio or the inappropriate use thereof may lead to product liability claims that result in reputational damage of the marketed brands and the Group, which could lead to reduced sales and unexpected costs for the Group. Due to general inclusion of potentially insufficient liability caps and back-to-back protection in customer and supplier agreements, there is a risk that these unexpected costs must be borne by the Group. In the event a claim is successfully brought against the Group in excess of the available insurance cover, it may result in an adverse effect on the Group's operating results and customer relations. Further, any product claim, whether or not successful and whether or not covered by the Group's insurance coverage, could increase its insurance premiums or negatively affect the Group's reputation, resulting in a loss of customers or business, which in turn could have an adverse effect on its revenue and/or profitability.

Trade name and brand recognition

Sales of products within the Group's portfolio depend to a significant extent upon brand recognition and the goodwill associated with the Group's brand portfolio. The Group is dependent on, for example, marketing activities and a continued high product quality in order to maintain and strengthen the brand recognition and goodwill of its product portfolio. However, there is a risk that any such marketing activities prove to be inefficient. Significant negative publicity in connection with product liability matters or product recalls or any similar event may, whether or not it is justifiable, further negatively impact the reputation of the Group and brand names within its product portfolio, which could be difficult to restore. A significant deterioration of the Group's brand name or any product or brand name within its portfolio could lead to customers reducing or stopping orders of the Group's products which could in turn have a material adverse effect on the Group's business, net sales, earnings and financial position. In addition, collaborations with influencers, whose behaviours and actions may deviate from the Group's expectations, could have an adverse effect on the Group's brand name as well as the brand recognition and goodwill of the Group's product portfolio.

Risks related to inadequate market adaption

Medium level risks

Competitive landscape

Approximately 37 per cent. of the Group's net revenue derives from business in Norway, approximately 60 per cent. from business in Sweden and approximately 3 per cent. from business in Denmark. The brand managing

industry within make up, skin care, fragrance, haircare and beauty tools is highly competitive and subject to rapid change in consumer preferences and industry trends. Consequently, the Group has a number of competitors across different product categories, segments and geographic markets. The Group's key competitors can be divided into three segments: local competitors, regional competitors and global competitors. The Group currently has competitors in all three aforementioned market segments. The Group competes against brand owners that sell their products through retail channels, direct sales, online and mail order. Many of the Group's competitors are large multinationals that have significant resources and that in certain segments benefit from significantly greater brand name recognition and consumer loyalty than the brands within the Group's product portfolio. These aspects, as well as discount pricing strategies from competitors could result in increased competition. Increased competition may lead to increased pricing pressure leading to reduced profitability. Furthermore, if the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Group's earnings or financial position.

Low level risks

Consumer behaviour

The Group operates in the Scandinavian market and supplies online and offline retail partners with brands within make up, skin care, fragrance, hair care and beauty tools. The sales of the Group's product portfolio are dependent upon the purchasing power, purchase patterns and behaviour of retailers and end consumers. Changes in end consumers' preferences or retailers purchasing patterns may adversely affect the Group's net sales and commercial relationships with its suppliers and customers. Further, developments in the retail market for cosmetic products can affect the demand for the products within the Group's product portfolio. The Group's possibility to compete depends upon the Group's ability to anticipate future market changes and consumer trends and to rapidly react on existing and future market needs by diversifying and updating its brand and product portfolio. If the Group fails to meet to react to market changes or consumer trends, there is a risk that this will have an adverse effect on the Group's sales and prices charged for products, and therefore its, earnings and profitability.

Risks related to expansions and acquisitions

Low level risks

Risks related to expansion on current and future markets

The Group currently operates on the Swedish, Danish and Norwegian market. However, the Group is continuously evaluating geographic expansion to other markets. The Group has in the past, and may in the future evaluate potential mergers and acquisitions that are in line with the Group's strategic objectives to strengthen its position in the Nordic region. Mergers and acquisitions activities may present certain strategic, financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations. Further, the Group has made certain acquisitions in the past and there is a risk that there are unidentified risks in recently acquired companies which are unknown to the Group and that such unidentified risks will have an adverse effect on the Group's business, earnings or financial position. Further, the Group may not be successful in the implementation of plans regarding mergers or acquisitions, as they may not achieve sales levels and profitability that justify the investments made by the Group. If acquisitions are not successfully integrated, the Group's may incur significant costs that do not realise budgeted returns, thereby having a significant adverse impact on the financial position of the company. Finally, future acquisitions could also result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which could significantly impact the Group's financial condition or results of operations and the ability of the Issuer and the Guarantors to meet their payment obligations under the Terms and Conditions and the Guarantees.

Risks related to internal management

Low level risk

Key personnel

The Group is dependent upon a number of key employees within management and within sales, specifically Joakim Johnsson (CEO), Johan Ahlgren (CFO), Johan Fors (IT and Logistics manager), Camilla Svärdenborn (managing director Sweden), Stig Ødegaard (managing director Norway) and Lone Bjørn Nielsen (CEO Elements/ managing director Denmark). If such key personnel leave the Group, take up employment with competitors or in any other way carry out competing business or solicit either the employees or the customers of the Group, it could lead to the loss of existing customers and have a negative effect on the Group's earnings and continued operations. The Group faces competition for qualified personnel from other companies. Therefore, there is a risk that the Group cannot recruit new, qualified personnel to the extent that it wishes or to replace leaving employees. To a large extent, the continued success of the Group's operations will be conditional upon the Group's ability to attract and retain highly qualified management personnel, as well as experienced personnel in sales. If the Group proves to be unsuccessful in its recruitment and retention efforts, the Group's ability to compete effectively will be impacted negatively.

Financial risks

Medium level risk

Risks related to IT infrastructure

The Group depends to some extent on information technology ("IT") to manage critical business processes, including administrative functions. The Group uses IT and ERP systems for internal purposes and externally in relation to its suppliers and customers and the Group for instance offers an increasing part of the products in its product portfolio through e-commerce and online stores. The Group's inhouse IT department is dependent on a limited number of people in combination with external suppliers. Extensive downtime of network servers, attacks by IT-viruses, loss of suppliers or other disruptions or failure of information technology systems are possible and could have a negative impact on the Group's operations, revenues and profitability. Failure of the Group's IT systems could cause transaction errors and loss of customers as well as sales, and could have negative consequences for the Group, its employees, and those with whom the Group does business.

Low level risks

Currency risk

The Group's accounts are consolidated in Swedish kronor, but certain operating costs, cost of goods and income are denominated in other currencies, primarily EUR, NOK and DKK but also CHF, GBP and USD. Currency risk means the risk that unfavorable fluctuations in currency exchange rates will have a negative impact on cash flows, income statement and/or the balance sheet of the Group. The Group purchases a substantial portion of its products from suppliers who price their products in euro. Currency exchange rate fluctuations could make products more expensive, resulting in higher costs and decreased margins for the Group's products.

Ability to service debt

The Group's ability to service its debt will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. The aforementioned applies to both long-term and current liabilities and therefore, both the financial solidity and liquidity of the Group may be affected in this respect.

Borrowings by the Group and interest risk

Together with the indebtedness incurred under the Bonds, the Group may in compliance with the limits set out in the terms and conditions for the Bonds (the “**Terms and Conditions**”) incur further financial indebtedness to finance its business operations. Such financing may result in interest costs which may be higher than the actual returns made from the investments made by the Group. Borrowing money to make investments will increase the Group’s exposure to the loss of capital and higher interest expenses. Interest on the Group’s borrowings from time to time are subject to fluctuations in the applicable interest rates. Higher interest rates could pressure the Group’s liquidity and even its ability to service such debt, potentially resulting in defaults under financings, and as a result significantly affecting the ability of the Issuer and the Guarantors to meet their payment obligations under the Terms and Conditions and the Guarantees.

Risks relating to the Bonds

Risks related to the nature of the bonds

Medium level risks

Interest rate risks

The Bonds’ value depends on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest of 3 month STIBOR plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group’s control.

Low level risks

Benchmark Regulation

The process for determining STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it may result in the use of a replacement benchmark which may not be identical to the original, and therefore potentially result in a lower interest rate on the Bonds and thus a negative effect on the bondholder’s return on investment.

Risks related to security

Medium level risks

Risks relating to the transaction security

Although the Issuer's obligations towards the bondholders under the Bonds are secured by first priority pledges over the shares in the Issuer, Scandinavian Cosmetics Aktiebolag, Scandinavian Cosmetics Holding Norway AS, Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS), Scandinavian Cosmetics Denmark A/S and Scandinavian Cosmetics Group Holding AB as well as security over certain intra-group loans from *inter alia* the Issuer to any subsidiary, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the bondholders. Accordingly, there is a risk that bondholders will not be able to recoup their full investment in the Bonds upon the acceleration and enforcement of the Bonds upon the occurrence of a default.

The bondholders are represented by Nordic Trustee & Agency AB (publ) as security agent (the “**Security Agent**”) in all matters relating to the transaction security. There is a risk that the Security 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 is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security.

The Security Agent is 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 security.

Security over assets granted to third parties

Subject to certain limitations from time to time, including the provisions of the Terms and Conditions, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness, potentially including prior ranking claims over existing security in respect of a future working or revolving credit facility. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security or prior ranking security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and, ultimately, the ability of the bondholders to recoup their investment in the Bonds.

Risks relating to enforcement of the transaction security

If a subsidiary, whose shares have been pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

The value of any intra-group loan granted by the Issuer to any subsidiary, which is subject to security in favour of the bondholders, is largely dependent on such subsidiary's ability to repay its loan. Should such subsidiary be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Risks related to a potential intercreditor arrangement

The Issuer has reserved the right to incur debt under a super senior revolving credit facility (the “**Super Senior RCF**”) in the future which will, in accordance with the terms of an Intercreditor Agreement (as defined below), rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which will rank *pari passu* with the Bonds. The relationship between certain of the Issuer's creditors (jointly the “**Secured Creditors**”) and the security agent will be governed by an intercreditor agreement (the “**Intercreditor Agreement**”) that will be entered into in connection with the incurrence of debt under the Super Senior RCF. Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders and the Secured Creditors will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues subsequent Bonds, the security position of the current bondholders may be impaired.

The security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF. There is a risk that the security agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent. of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any super senior debt (including liabilities under super senior hedges), thirdly any creditor *pro rata* under any senior debt (including the bondholders) and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

Risks related to the financial standing of the Group

Medium level risks

The Issuer is dependent on its subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries, with Scandinavian Cosmetics Aktiebolag, Scandinavian Cosmetics AS (formerly Engelschjøn Marwell Hauge AS) and the Danish operations, being the most important subsidiaries in terms of assets and revenue. Accordingly, the Issuer is dependent upon receipt of sufficient distributions and cash flow related to the operation of and its ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' results of operations, availability of cash and their legal ability to make dividends or other value transfers which may from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient cash distributions from its subsidiaries, the bondholders' ability to receive payment under the Terms and Conditions may be adversely affected.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group which would have a negative effect on the bondholders' ability to receive payment under the Terms and Conditions in full or at all.

Refinancing risk

The Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds, at final maturity. The Issuer currently has SEK 405 million of bonds outstanding and under the Terms and Conditions is permitted to incur an additional SEK 95 million of further bonds as well as SEK 60 million of working capital facility (subject to certain conditions) which has not yet been utilised (as at 31 August 2020). The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition (or credit worthiness) at final maturity, or on relatively short notice as a result of an early redemption option being exercised for any reason. There is a risk that the Issuer's access to financing sources will not be available on favourable terms, or at all, when required. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a negative effect on the bondholders' ability to receive payment under the Terms and Conditions in full or at all.

RESPONSIBILITY FOR THE INFORMATION IN THE PROSPECTUS

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 30 September 2019. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation.

The Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and neither the Sole Bookrunner nor any of its representatives have conducted any efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, the information contained in this Prospectus, including the registration document and the securities note, is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. There is no information in this Prospectus that has been provided by a third party.

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that the information in this Prospectus, including the registration document and the securities note, is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities. The approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

Stockholm on 28 October 2020

AE4 2017 Sweden AB

The board of directors

STATUTORY AUDITORS

The Issuer

The Issuer's auditor is presently the accounting firm Öhrlings PricewaterhouseCoopers AB with auditor Magnus Willfors as auditor in charge (the "Auditor"). The Auditor has been the auditor of the Issuer since 2 December 2019. Magnus Willfors can be contacted at c/o PricewaterhouseCoopers, Box 4009, 203 11 Malmö. Magnus Willfors is a member of Föreningen Auktoriserade Revisorer (FAR).

ACscent Holding AB

ACscent Holding AB's auditor is the Auditor. The Auditor has been the auditor of ACscent Holding AB since 2 July 2020.

Scandinavian Cosmetics Group Holding AB

Scandinavian Cosmetics Group Holding AB's auditor is the Auditor. The Auditor has acted as auditor of Scandinavian Cosmetics Group Holding AB since 2 December 2019. Prior to Öhrlings PricewaterhouseCoopers AB's appointment in 2019, Deloitte AB, with Therese Kjellberg as auditor in charge, was Scandinavian Cosmetics Group Holding AB's auditor. Therese Kjellberg is a member of Föreningen Auktoriserade Revisorer (FAR). The office address of Deloitte AB is Rehnsgatan 11, 113 79 Stockholm. The reason for not re-electing Deloitte AB as auditor in 2019 was due to the change of ownership of the Group following the acquisition by AccentFour 2017 Holding Ltd.

Scandinavian Cosmetics Aktiebolag

Scandinavian Cosmetics Aktiebolag's auditor is the Auditor. The Auditor has acted as auditor of Scandinavian Cosmetics Aktiebolag since 10 December 2019. Prior to Öhrlings PricewaterhouseCoopers AB's appointment in 2019, Deloitte AB, with Therese Kjellberg as auditor in charge, was Scandinavian Cosmetics Aktiebolag's auditor. Therese Kjellberg is a member of Föreningen Auktoriserade Revisorer (FAR). The office address of Deloitte AB is Rehnsgatan 11, 113 79 Stockholm. The reason for not re-electing Deloitte AB as auditor in 2019 was due to the change of ownership of the Group following the acquisition by AccentFour 2017 Holding Ltd.

Scandinavian Cosmetics Norway Holding AS

Scandinavian Cosmetics Norway Holding AS's auditor is PricewaterhouseCoopers AS with auditor Hallvard Helgetun as auditor in charge. Hallvard Helgetun has been the auditor of Scandinavian Cosmetics Norway Holding AS since 2019. Hallvard Helgetun is a state authorised auditor. Prior to PricewaterhouseCoopers AS's appointment in 2019, Deloitte AS, with Vidar Nilsen as auditor in charge, was Scandinavian Cosmetics Norway Holding AS's auditor. Vidar Nilsen is a state authorised auditor. The office address of Deloitte AS is Dronning Eufemias gate 14, 0191 Oslo. The reason for not re-electing Deloitte AS as auditor in 2019 was due to the change of ownership of the Group following the acquisition by AccentFour 2017 Holding Ltd.

Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS)

Scandinavian Cosmetics AS's auditor is PricewaterhouseCoopers AS with auditor Hallvard Helgetun as auditor in charge. Hallvard Helgetun has been the auditor of Scandinavian Cosmetics AS since 2019. Hallvard Helgetun is a state authorised auditor. Prior to PricewaterhouseCoopers AS's appointment in 2019, Deloitte AS, with Vidar Nilsen as auditor in charge, was Scandinavian Cosmetics AS's auditor. Vidar Nilsen is a state authorised auditor. The office address of Deloitte AS is Dronning Eufemias gate 14, 0191 Oslo. The reason for not re-electing Deloitte AS as auditor in 2019 was due to the change of ownership of the Group following the acquisition by AccentFour 2017 Holding Ltd.

Scandinavian Cosmetics Denmark A/S

Scandinavian Cosmetics Denmark A/S's auditor is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab with auditor Allan Kamp Jensen as auditor in charge. Allan Kamp Jensen has been the auditor of Scandinavian Cosmetics Denmark A/S since 15 November 2019. Allan Kamp Jensen is a state authorised public accountants. Prior to PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab's appointment in 2019, Deloitte Statsautoriseret Revisionspartnerselskab, with Kim Takata Mücke and Kåre Konge Breindal as auditors in charge, was Scandinavian Cosmetics Denmark A/S's auditor. Kim Takata Mücke and Kåre Konge Breindal are state authorised public accountants. The office address of Deloitte Statsautoriseret

Revisionspartnerselskab is Weidekampsgade 6, 2300 København S. The reason for not re-electing Deloitte Statsautoriseret Revisionspartnerselskab as auditor in 2019 was due to the change of ownership of the Group following the acquisition by AccentFour 2017 Holding Ltd.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer's or Guarantors' auditors.

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, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “Terms and Conditions for the Bonds” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

Overview of the Bonds

The following overview of the Bonds contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Bonds, including certain definitions of terms used in this overview, see “Terms and Conditions for the Bonds.”

General

Issuer:	AE4 2017 Sweden AB, reg. no. 559177-5266, c/o Scandinavian Cosmetics, Box 9078, 200 39 Malmö, Sweden.
The Bonds:	<p>Up to SEK 500,000,000 in aggregate principal amount of senior secured callable floating rate notes due 8 November 2024. As of the date of this Prospectus, SEK 405,000,000 of the Bonds has been issued.</p> <p>No physical instruments have been issued. The Bonds are issued in dematerialised form and have been registered on behalf of each Bondholder with the Central Securities Depository.</p> <p>As of the date of this Prospectus, the number of Bonds for which admission to trading is being sought is 324 (each with a nominal value of SEK 1,250,000). Additional Bonds may be issued up to an aggregate total amount of 400, in accordance with the Terms and Conditions.</p>
ISIN:	SE0013358207.
First Issue Date:	8 November 2019.
Issue Price of Initial Bonds:	100 per cent.
Interest Rate:	<p>Interest on the Bonds is paid at a rate equal to the sum of 3 months STIBOR plus 6.25 per cent. <i>per annum</i>. If any of the applicable rates for the calculation of STIBOR is below zero (0), STIBOR will be deemed to be zero (0).</p> <p>The interest rate indicated above as per the date of this Prospectus is not provided by an administrator which is part of the register referred to in article 36 of regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the Benchmark regulation).</p> <p>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).</p>
STIBOR:	STIBOR (Stockholm Interbank Offered Rate) is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at

different maturities. Financial Benchmarks Sweden AB assumes overall responsibility and is the principal for STIBOR.

Interest Payment Dates: Means 8 February, 8 May, 8 August and 8 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

The first Interest Payment Date for the Bonds was 8 February 2020 and the last Interest Payment Date shall be the Final Maturity Date (or any relevant Redemption Date prior thereto).

Interest will accrue from (but excluding) the First Issue Date.

Final Redemption Date: 8 November 2024.

Nominal Amount: The initial nominal amount of each Initial Bond is SEK 1,250,000.

Use of Proceeds: The estimated net proceeds from the Bond Issues were approximately SEK 390,000,000. The purpose of the Initial Bond Issue is to use the Net Proceeds from the issue of the Initial Bonds, towards (i) financing the Acquisition and (ii) partially refinancing the Refinancing Debt. The Issuer shall use the Net Proceeds from the issue of any Subsequent Bonds, for its general corporate purposes including acquisitions.

Status of the Bonds: The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) upon the incurrence of any Super Senior Debt, the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement (if any). The Bonds are secured as described in Clause 10 (*Transaction Security and Guarantees*) of the Terms and Conditions and as further specified in the Security Documents.

Guarantee and Security:

Guarantee Agreement: The guarantee and adherence agreement dated 11 February 2020 entered into between certain Group companies and the Security Agent for itself and on behalf of Secured Parties for each of the Bondholders.

Guarantors: The Bonds benefit from guarantees from the Parent and the Material Group Companies (from time to time). As of date of this Prospectus, the Guarantors are, apart from the Issuer:

- a) ACscent Holding AB, reg. no. 559209-0533
- b) Scandinavian Cosmetics Group Holding AB, reg. no. 559028-7891
- c) Scandinavian Cosmetics Aktiebolag, reg. no. 556238-6895
- d) Scandinavian Cosmetics Norway Holding AS, reg. no. 983 350 062
- e) Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS), reg. no. 971 003 839
- f) Scandinavian Cosmetics Denmark A/S, CVR no. 38183532

Security: The security securing the Bonds consist, *inter alia*, of share pledge over the Guarantors and pledge over certain intercompany loans. See the definitions of

“Security/Security Documents/Transaction Security” in Clause 1.1 (Definitions) of the Terms of Conditions.

Call Option

Call Option:	<p>The Issuer may redeem all, but not only some, of the outstanding Bonds in full:</p> <ul style="list-style-type: none">(a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.125 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to and including the First Call Date together with accrued but unpaid Interest;(b) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.125 per cent. of the Nominal Amount, together with accrued but unpaid Interest;(c) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 102.5 per cent. of the Nominal Amount, together with accrued but unpaid Interest;(d) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the first Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;(e) any time from and including the first Business Day falling 48 months after the First Issue Date to, but excluding, the first Business Day falling 54 months after the First Issue Date at an amount per Bond equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and(f) any time from and including the first Business Day falling 54 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
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First Call Date: 8 May 2022.

Equity Claw Back: The Issuer may on one occasion, in connection with an Equity Listing Event, redeem up to 35 per cent. of the total Initial Nominal Amount, in which case all outstanding Bonds shall be partially redeemed by way of reducing the Nominal Amount of each Bond *pro rata*.

Put Option

Put Option:	<p>Upon the occurrence of a Change of Control Event, Listing Failure Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting pursuant to Clause 11.1(f) of the Terms and Conditions (after which time period such</p>
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rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure Event or Delisting.

Change of Control Event: A Change of Control Event means the occurrence of any of the following:

- (a) after the Completion Date and prior to an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate of the Main Shareholder), acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer; and
- (b) on or after an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate of the Main Shareholder), acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than 30 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

Listing Failure Event: A Listing Failure Event means that any of the following events has occurred:

- (a) that the Initial Bonds have not been admitted to listing on Frankfurt Stock Exchange Open Market (or a MTF) within 60 days from the First Issue Date and with an intention to complete such listing within 30 days after the First Issue Date;
- (b) any Subsequent Bonds have not been admitted to listing on Frankfurt Stock Exchange Open Market (or other relevant MTF) within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 20 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued after the date of the listing of the Bonds on Nasdaq Stockholm (or another Regulated Market) in which case the Subsequent Bonds shall be listed on Nasdaq Stockholm (or the relevant Regulated Market (as applicable)) within 60 days after the issuance of such Subsequent Bonds);
- (c) no later than 12 months after the First Issue Date, the Bonds cease to be listed on Frankfurt Stock Exchange Open Market (or other relevant MTF) without being listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market); or
- (d) except as set out in paragraph (c) above, the Bonds, once admitted to listing on the corporate bond list of the relevant Regulated Market or MTF (as applicable), cease to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) without being admitted to listing on another Regulated Market. (i) the Initial Bonds are not admitted to trading on Nasdaq Stockholm (or another Regulated Market) within twelve (12) months from (and excluding) the First Issue Date, and (ii) following a successful listing and subsequent de-listing of the Bonds from the corporate bond list of Nasdaq Stockholm (or another Regulated Market) the Bonds are not

re-listed on a Regulated Market by the date falling thirty (30) calendar days from the date of the de-listing.

Delisting

A Delisting means that following an Equity Listing Event, (i) the delisting of the shares in the Parent from a Regulated Market or (ii) trading in the ordinary shares of the Parent on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

Covenants

Certain Covenants:

The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making distributions;
- restrictions on disposal of assets;
- restrictions on the incurrence of Financial Indebtedness;
- restrictions on providing loans or guarantees to any party other than a Group Company; and
- restrictions on providing or granting security over assets as security for any loan or other indebtedness.

Each of the above listed covenants is subject to significant exceptions and qualifications. See “*Terms and Conditions for the Bonds – General Undertakings*”.

Event of Default

Events of Default:

Events of Default under the Terms and Conditions include, but are not limited to, the following events and circumstances:

- failure to make payment under the Finance Documents;
- breach of other obligations under the Finance Documents than the obligation to make payments;
- payment cross default and cross acceleration in relation to a Group Company;
- a Material Group Company’s insolvency or if insolvency proceedings are initiated in relation to a Material Group Company;
- a decision is made that the Issuer shall be demerged or merged;
- if it becomes illegal for any Obligor to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable; and
- the Issuer or any other Material Group Company ceases to carry on its business.

Each of the Events of Default above are subject to exceptions and qualifications. See the “*Terms and Conditions for the Bonds – Events of Default and Acceleration of the Bonds*”.

Miscellaneous

- Transfer Restrictions:** 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- Prescription:** 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.
- Taxation:** Potential investors are strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Bonds. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Bonds.
- An investor's country of residence may not be the same as the Issuer's country of incorporation and may therefore potentially have an impact on the income received from the Bonds.
- Listing:** The Bonds are currently traded at Open Market of the Frankfurt Stock Exchange.
- Application for listing of the Bonds on Nasdaq Stockholm will be filed in immediate connection with the Swedish Financial Supervisory Authority's (Sw. *Finansinspektionen*) approval of this Prospectus.
- Listing costs:** The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 100,000.
- Rights:** *Decisions by Bondholders*
- Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) of the Terms and Conditions from a Person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 18(c) of the Terms and Conditions, 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 definition of Adjusted Nominal Amount.
- Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and 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.
- 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 other Bondholders.

No direct action by Bondholders

Subject to certain exemptions set out in the Terms and Conditions, a Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security 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 (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

Agent: Nordic Trustee & Agency AB (publ), reg. no. 556882-1879 acts as the Bondholders' agent and represents the Bondholders. The Agent's rights and duties can be found in the Terms and Conditions which are available on the Issuer's web page: www.ae42017.com and also contained in this Prospectus.

Issuing Agent: ABG Sundal Collier ASA, reg. no. 883 603 362 acts as the Issuer's agent and represents the Issuer. The Issuing Agent's rights and duties can be found in the Terms and Conditions which are available on the Issuer's web page: www.ae42017.com and also contained in this Prospectus.

Security Agent: Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879 acts as the security agent for the Secured Parties and represents the Secured Parties. The Security Agent's rights and duties can be found in the Terms and Conditions which are available on the Issuer's web page www.ae42017.com and also contained in this Prospectus.

Central Securities Depository: Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

Governing Law of the Bonds: Swedish law.

Governing Law of the Guarantee Agreement: Swedish law.

THE ISSUER AND THE GUARANTORS

The Issuer

The Issuer is a public limited company incorporated in Sweden, with reg.no. 559177-5266 and is regulated by the Swedish Companies Act. The Issuer's registered address is c/o Scandinavian Cosmetics, Box 9078, 200 39 Malmö, Sweden. The Issuer's LEI code is 549300PF6FB4MK53PN58, and can be reached at the following telephone number: +46 733 25 44 80.

The Issuer's webpage is: www.ae42017.com. The information on the Issuer's website does not form part of this Prospectus except to the extent that information is incorporated by reference.

According to the Issuer's articles of association, the Issuer's objects are to own and manage real property and tangible goods and other compatible activities therewith.

The Issuer was incorporated on 25 October 2018 in order to facilitate the acquisition of the Group, and since the acquisition has been the holding company of the Group.

The Guarantors

ACscent Holding AB

ACscent Holding AB is a private limited company incorporated in Sweden, with reg.no. 559209-0533 and is regulated by the Swedish Companies Act. ACscent Holding AB's registered address is c/o Scandinavian Cosmetics, Box 9078, 200 39 Malmö, Sweden. ACscent Holding AB's LEI code is 549300VTQ11ZWMU36D59. ACscent Holding AB can be reached at the following telephone number: +46 733 25 44 80.

According to ACscent Holding AB's articles of association, its object is to possess and administer real property and moveable property, and to provide administrative intergroup services and other business similar thereto.

ACscent Holding AB was incorporated on 27 May 2019 and is the parent company of the Issuer.

Scandinavian Cosmetics Group Holding AB

Scandinavian Cosmetics Group Holding AB is a private limited company incorporated in Sweden, with reg.no. 559028-7891 and is regulated by the Swedish Companies Act. Scandinavian Cosmetics Group Holding AB's registered address is Box 9078, 200 39 Malmö, Sweden. Scandinavian Cosmetics Group Holding AB's LEI code is 54930067MCTHS4CKB490. Scandinavian Cosmetics Group Holding AB can be reached at the following telephone number: +46 733 25 44 80.

According to Scandinavian Cosmetics Group Holding AB's articles of association its objects are to own companies which directly or indirectly conduct business within cosmetics and beauty care, and thereto related business.

Scandinavian Cosmetics Group Holding AB was incorporated on 2 October 2015 and is currently a wholly-owned subsidiary of the Issuer.

Scandinavian Cosmetics Aktiebolag

Scandinavian Cosmetics Aktiebolag is a private limited company incorporated in Sweden, with reg.no. 556238-6895 and is regulated by the Swedish Companies Act. Scandinavian Cosmetics Aktiebolag's registered address is Box 9078, 200 39 Malmö, Sweden. Scandinavian Cosmetics Aktiebolag's LEI code is 529900VJIP7LICR7IH78. Scandinavian Cosmetics Aktiebolag can be reached at the following telephone number: +46 733 25 44 80.

According to Scandinavian Cosmetics Aktiebolag's articles of association, its object is to trade in cosmetics, skin care and fragrance products and to do any other business as may be deemed compatible with the above mentioned objects.

Scandinavian Cosmetics Aktiebolag was incorporated on 17 November 1983 and is currently a wholly-owned subsidiary of the Issuer.

Scandinavian Cosmetics Norway Holding AS

Scandinavian Cosmetics Norway Holding AS is a private limited company incorporated in Norway, with reg.no. 983 350 062 and is regulated by the Norwegian Companies Act. Scandinavian Cosmetics Norway Holding AS's registered address is Lilleakerveien 10, 0283 Oslo, Norway. Scandinavian Cosmetics Norway Holding AS's LEI code is 549300MN0VHTFPPPF89. Scandinavian Cosmetics Norway Holding AS can be reached at the following telephone number: +47 911 998 92.

According to Scandinavian Cosmetics Norway Holding AS's articles of association its objects are to, through wholly- or partly-owned subsidiaries or in cooperation with other companies, undertake investment activities in the trade of consumer goods and other activities related to this, including head office services.

Scandinavian Cosmetics Norway Holding AS was incorporated on 3 May 2001 and is currently a wholly-owned subsidiary of the Issuer.

Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS)

Scandinavian Cosmetics AS is a private limited company incorporated in Norway, with reg.no. 971 003 839 and is regulated by the Norwegian Companies Act. Scandinavian Cosmetics AS's registered address is Lilleakerveien 10, 0283 Oslo, Norway. Scandinavian Cosmetics AS's LEI code is 5493004XSH5E1WY6ZO57. Scandinavian Cosmetics AS can be reached at the following telephone number: +47 911 998 92.

According to Scandinavian Cosmetics AS's articles of association its objects are to engage in trade, marketing and agency, and related activities.

Engelschiøn Marwell Hauge AS was incorporated on 12 June 1995 and is currently a wholly-owned subsidiary of the Issuer.

Scandinavian Cosmetics Denmark A/S

Scandinavian Cosmetics Denmark A/S is a private limited company incorporated in Denmark, with CVR no. 38183532 and is regulated by the Danish Companies Act. Scandinavian Cosmetics Denmark A/S's registered address is Jægersborg Alle 93, 2820 Gentofte, Denmark. Scandinavian Cosmetics Denmark A/S's LEI code is 549300EPHJ726LHU0478. Scandinavian Cosmetics Denmark A/S can be reached at the following telephone number: +45 381 00 11.

According to Scandinavian Cosmetics Denmark A/S's articles of association its objects are to carry on, directly or via shareholdings in other companies, activities with cosmetic products and any other activities which, in the opinion of the board of directors, are related thereto.

Scandinavian Cosmetics Denmark A/S was incorporated on 10 November 2016 and is currently a wholly-owned subsidiary of the Issuer.

BUSINESS OF THE GROUP

Overview

The Group operates as a brand management company within the Nordic cosmetics market. The Group acts as a brand builder for its portfolio brands and provides online and offline retail partners with products within make up, skin care, fragrance, hair care and beauty tools from its brand portfolio.

As a brand management company, the Group provides a single point of contact for brand owners seeking efficient market coverage and for retailers active in luxury and semi-selective cosmetics and thereby offers reduced business risk for both brand owners and retailers. Services include, *inter alia*, brand building and marketing, category management, training and support, as well as warehousing and distribution.

The Group currently has 50 agreements with brand owners regarding distribution of 102 brands, and a distribution network of approximately 60 retail partner companies. The Group is principally active in the Norwegian, Swedish, Danish and Finnish markets.

Operating History

Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS) was founded in 1927 in Norway.

Alf Sörensen AB was founded in 1956 in Sweden.

The Scandinavian Cosmetics head office in Sweden was founded in 1984.

Solis AS was founded in 1992 in Norway.

Elements ApS was founded in 2005 in Denmark.

Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS) and Scandinavian Cosmetics were acquired by Aurelius and the Scandinavian Cosmetics Group was founded in 2016.

Scandinavian Cosmetics established in both Denmark and Finland in 2017.

In 2018, Scandinavian Cosmetics Group acquired Alf Sörensen AB and Solis AS.

The Bonds were issued by the Issuer on 8 November 2019.

In July 2020, the Issuer performed a tap issue of SEK 35,000,000 of the Bonds in order to finance the Group's acquisition of the Danish subsidiary Elements ApS.

Elements ApS was acquired in August 2020.

Business

Business Model

The Group's offering to cosmetics brand owners is to market, distribute and sell brand owners' products to online and offline retailers in Sweden, Norway, Denmark and Finland. The services provided by the Group are local brand building and marketing, category management, training and support to retail personnel as well as warehousing and distribution to a sales network of online and offline retailers. The Group purchases products from the brand owners and is committed to fulfilling certain services for the brands. The purchase prices are calculated to compensate the Group for those services, including a distribution margin.

Beauty products

Beauty products covered by the Group's portfolio include (i) make up brands, such as Sensai, Shiseido, MaxFactor, IsaDora and NARS; (ii) skin care brands, such as Clarins, Filorga, Peter Thomas Roth and Nuxe;

(iii) fragrances, such as Hugo Boss, Gucci, Hermes, Ariana Grande and Clean; (iv) hair care brands such as Wella, Toni&Guy and Sachajuan; and (v) beauty tools brands, such as Tweezerman and Perplex.

Sales Channels

Beauty products produced by the Group's portfolio of brand owners are sold through its partnerships with retailers active in a number of sales channels, including beauty chains, fashion stores and e-commerce:

1. Beauty Chains

Beauty chains include retail partners such as Kicks, Vita and Matas, and represented approximately 41.5 per cent. of revenue for the year ended 31 December 2019.

2. Fashion Stores

Fashion stores include retail partners such as H&M, Lindex and Cubus, and represented approximately 10.9 per cent. of revenue for the year ended 31 December 2019.

3. Pharmacies

Pharmacies include retail partners such as Boots, Apotek and Apotek Hjärta, and represented approximately 1.6 per cent. of revenue for the year ended 31 December 2019.

4. Pure E-commerce

E-commerce include retail partners such as Lyko, Nordic Feel, Skin City, Blivakker and Cocopanda and represented approximately 16.3 per cent. of revenue for the year ended 31 December 2019.

5. Super Markets

Super Markets include retail partners such as Coop, Ica Maxi and Meny, and represented approximately 5.8 per cent. of revenue for the year ended 31 December 2019.

6. Department Stores

Department Stores include retail partners such as Åhlens, Magasin and NK, and represented approximately 13.6 per cent. of revenue for the year ended 31 December 2019.

7. Other

Other sales channels represented approximately 10.3 per cent. of revenue for the year ended 31 December 2019.

Services

In addition to sales of products, the Group provides a number of value-adding services to its brand owners as part of its offering, including brand building and marketing, category management, training and support, and warehousing and distribution:

1. Brand building and marketing

The Group assists its brand owners with local and Nordic brand building through focused marketing and advertising based on local consumer knowledge, through key traditional media and online marketing channels including, *inter alia*, digital and social media, TV and magazines, events as well as retailer marketing.

2. Category management

The Group ensures that its brand owners' products are placed in the appropriate category in the different markets it operates to ensure that they achieve maximum sales potential.

3. Training and support

Training and support is offered to the employees of the Group's retailer network through sampling sessions as well as training of beauty consultants, with the intention of creating top-of-mind recognition and superior advocacy within the sales network.

4. Warehousing & Distribution

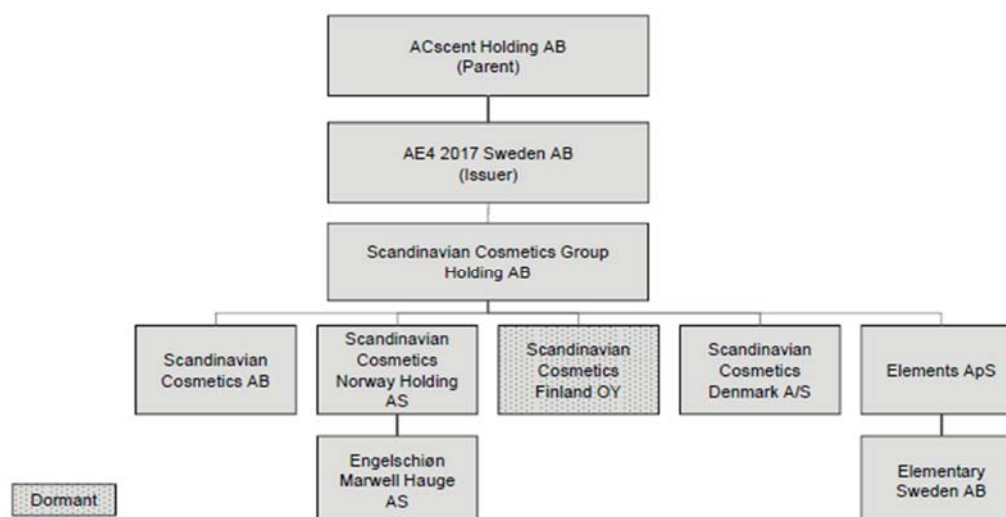
The Group provides warehousing services, including working capital management, to its brand owners requiring inventory storage to be able to take advantage of periods of high demand for products. The warehousing facilities are leased by the Group and the warehouse operations are conducted by the Group's own personnel. All shipping and freight requirements between the brands and retailers are dealt with by the Group to ensure smooth logistics to both physical stores and e-commerce warehouses.

Geographical split

The Group's net revenue is generated from sales in Sweden, Norway and Denmark. Sweden accounted for approximately 60.0 per cent. of total net revenue for the year ended 31 December 2019, Norway 37.2 per cent. and Denmark 2.8 per cent.

Legal Structure

The Issuer is the holding company of the Group. As at the date of this Prospectus, the Group consists of eight wholly-owned subsidiaries which are set out in the following table:



Employees

As at 30 September 2020, the Group employed 232 full time employees.

Recent Events

Covid-19

The outbreak of Covid-19 in early 2020 has had a relatively small effect on the Group's sales and financial position, as customers have moved towards e-commerce from physical sales, increasing the proportion of revenue from e-commerce by 77.0 per cent. in the first six months of 2020.

The Group has taken a number of significant actions relating to investments, purchasing and staffing in order to offset the negative effect on Group's sales caused by the COVID-19 situation, as well as prioritising focus on e-commerce to take advantage of the increased volume of business using that sales channel.

Acquisition of Elements

In August 2020, the Issuer completed the acquisition of 100 per cent. of the shares in Elements ApS. The consideration was partly funded with debt through the subsequent bond issue of SEK 35 million. The remainder of the consideration consisted of the Issuer's existing cash holdings as well as issuance of new shares in ACscent Holding AB.

Intellectual Property

Registered trademarks in Sweden, Norway, Denmark and Finland include "Scandinavian Cosmetics", "EMH", "EMH Engelschiøn Marwell Hauge" and "Beauty is a choice".

Credit Rating

There is currently no credit rating available for the Bonds. Furthermore, neither the Issuer nor any of the Guarantors have been assigned a credit rating.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The business address for all members of the Board of Directors of the Issuer and the Senior Management of the Group is c/o Scandinavian Cosmetics Group, Agnesfridsvägen 182, 213 75 Malmö. Information on the members of the Board of Directors of the Issuer and the Guarantors and the Senior Management of the Group, including significant assignments outside the Group which are relevant for the Issuer and the Guarantors respectively, is set forth below.

Board of Directors and Senior Management

Board of Directors of the Issuer

Daniel Winberg

Daniel Winberg, born in 1975, has served as a member of the Issuer's board since 2019 and is also the chairman of the board. He is a partner and investment manager at Accent Equity Partners. Current assignments outside of the Group include, *inter alia*, chairman of the board of Lunawood, Oral Care, Inteno Group and board member of Eco Log.

Joakim Johnsson

Joakim Johnsson, born in 1963, has served as a member of the Issuer's board since 2019 and has acted as Group CEO since 2018 and CEO for Scandinavian Cosmetics since 2011. Joakim has no significant assignments outside of the Group.

Sofia Nyrén

Sofia Nyrén, born in 1990, has served as a member of the Issuer's board since 2019. She is an associate at Accent Equity Partners, and joined Accent in 2018. Sofia has no significant assignments outside of the Group.

Annette Brøndholt Sørensen

Annette Brøndholt Sørensen, born in 1963, has served as a member of the Issuer's board since 2020. Current assignments outside of the Group include, *inter alia*, chairman of the board of MapDiet and Syncorder, vice chairman of the board of SOS Børnebyerne and board member of Air Greenland.

Otto Drakenberg

Otto Drakenberg, born in 1966, has served as a member of the Issuer's board since 2020. Current assignments outside of the Group include, *inter alia*, chairman of the boards of Spendrups, Svegro, Sophie by Sophie and CEO for Moment Group.

Maria Ziv

Maria Ziv, born in 1972, has served as a member of the Issuer's board since 2020. Current assignments outside of the Group include, *inter alia*, Group CMO of MAX Burgers and board member of Semantix.

Senior Management of the Group

Joakim Johnsson

Joakim Johnsson, born in 1963, has acted as Group CEO since 2018 and was previously the CEO of Scandinavian Cosmetics AB from 2011. Joakim has no significant assignments outside of the Group.

Camilla Svärdenborn

Camilla Svärdenborn, born in 1972, has been the Group's Managing Director for Sweden since 2020, and has previously held several roles within the Group since 2013. Camilla has no significant assignments outside of the Group.

Stig Ødegaard

Stig Ødegaard, born in 1967, has been the Group's Managing Director for Norway since 2020, and was previously CEO of Solis which was acquired by the Group in 2018. Stig has no significant assignments outside of the Group.

Lone Bjørn Nielsen

Lone Bjørn Nielsen, born in 1971, has been the Group's Managing Director for Denmark since 2020, and was previously CEO of Elements which was acquired by the Group in 2020. Lone has no significant assignments outside of the Group.

Johan Ahlgren

Johan Ahlgren, born in 1966, has been the Group's chief financial officer since 2018, and was previously the chief financial officer of Scandinavian Cosmetics AB from 2012. Johan has no significant assignments outside of the Group.

Johan Fors

Johan Fors, born in 1974, has been the Group's Logistics & IT Director since 2020. Johan has no significant assignments outside of the Group.

Anna Orup

Anna Orup, born in 1976, has been the Group's HR Director since 2018. Anna has no significant assignments outside of the Group.

Board of Directors of ACscent Holding AB

Daniel Winberg (1975) – Member of the Board of Directors.

Other assignments: Current assignments outside of the Group include, *inter alia*, chairman of the board of Lunawood, Oral Care, Inteno Group and board member of Eco Log.

Board of directors of Scandinavian Cosmetics Group Holding AB

Daniel Winberg (1975) – Chairman of the Board of Directors.

Other assignments: Current assignments outside of the Group include, *inter alia*, chairman of the board of Lunawood, Oral Care, Inteno Group and board member of Eco Log.

Joakim Johnsson (1963) – Member of the Board of Directors.

Other assignments: Joakim has no significant assignments outside of the Group.

Sofia Nyrén (1990) – Member of the Board of Directors.

Other assignments: Sofia has no significant assignments outside of the Group.

Board of directors of Scandinavian Cosmetics Aktiebolag

Joakim Johnsson (1963) – Chairman of the Board of Directors.

Other assignments: Joakim has no significant assignments outside of the Group.

Johan Ahlgren (1966) – Member of the Board of Directors.

Other assignments: Johan has no significant assignments outside of the Group.

Board of directors of Scandinavian Cosmetics Norway Holding AS

Joakim Johnsson (1963) – Chairman of the Board of Directors.

Other assignments: Joakim has no significant assignments outside of the Group.

Johan Ahlgren (1966) – Member of the Board of Directors.

Other assignments: Johan has no significant assignments outside of the Group.

Board of directors of Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS)

Joakim Johnsson (1963) – Chairman of the Board of Directors.

Other assignments: Joakim has no significant assignments outside of the Group.

Johan Ahlgren (1966) – Member of the Board of Directors.

Other assignments: Johan has no significant assignments outside of the Group.

Board of directors of Scandinavian Cosmetics Denmark A/S

Johan Ahlgren (1966) – Chairman of the Board of Directors.

Other assignments: Johan has no significant assignments outside of the Group.

Joakim Johnsson (1963) – Member of the Board of Directors.

Other assignments: Joakim has no significant assignments outside of the Group.

Stig Ødegaard (1967) – Member of the Board of Directors

Other assignments: Stig has no significant assignments outside of the Group.

Conflicts of Interest

The Group is not aware any conflicts of interests of the members of the board of directors and the Senior Management between their duties towards the Group and their private interests and/or their other duties.

Auditors

The Group's audited consolidated financial statements for the financial year ended 31 December 2019 have been audited by audit firm Öhrlings PricewaterhouseCoopers AB, with Magnus Willfors as the principal auditor. Audit firm Öhrlings PricewaterhouseCoopers AB, with Magnus Willfors as the principal auditor, has been the Group's auditor since 2 December 2019. The Group's audited consolidated financial statements for the financial year ended 31 December 2018 have been audited by audit firm Deloitte AB, with Therese Kjellberg as the principal auditor.

MAJOR SHAREHOLDERS

Ownership structure

The following table sets forth the ownership structure in the Issuer as per the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting rights</i>
ACscent Holding AB	50,000	100%	100%
Total	50,000	100%	100%

ACscent Holding AB is controlled, and the Issuer consequently is also controlled, by investment vehicles owned or managed directly or indirectly by Accent Equity AB (previous direct owner of ACscent Holding AB was AccentFour 2017 Holding Ltd) on behalf of the Accent Equity 2017 fund. Accent Equity AB is a Swedish limited liability company registered with the Swedish FSA as an external alternative investment fund manager. A minority holding of 15 per cent. of the shares in ACscent Holding AB is owned by investors in the Group's management incentive programme and external board members. There is no beneficial owner, i.e. no person holds or controls more than 25 per cent. of Accent Equity AB.

Shareholders' agreements

There are no shareholders' agreements or other agreements, which could result in a change of control of the Issuer or any Guarantor.

FINANCIAL INFORMATION

The accounting principles applied in the preparation of the Group's financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated.

The Issuer

The Issuer's consolidated financial information for the financial year ending 2019 has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 supplementary accounting rules for groups have been applied.

The Issuer's consolidated annual report for the financial year ended 2019 has been incorporated in this Prospectus by reference. The consolidated annual report has been audited by the Issuer's auditor and the auditor's report for the financial year ended 2019 has also been incorporated by reference in this Prospectus.

ACscent Holding AB

ACscent Holding AB's consolidated financial information for the financial year ending 2019 has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 supplementary accounting rules for groups have been applied.

ACscent Holding AB's consolidated annual report for the financial year ended 2019 has been incorporated in this Prospectus by reference. The consolidated annual report has been audited by ACscent Holding AB's auditor and the auditor's report for the financial year ended 2019 has also been incorporated by reference in this Prospectus.

Scandinavian Cosmetics Group Holding AB

Scandinavian Cosmetics Group Holding AB's financial information for the financial year ending 2019 has been prepared in accordance with the Swedish Annual Reports Act (Sw. *Årsredovisninglag (1995:1554)*) and the accounting rules BFNAR 2012:1 (K3) as adopted by the Swedish Accounting Standards Board (BFN).

Scandinavian Cosmetics Group Holding AB's annual reports for the financial years which ended 2018 and 2019, respectively, have been incorporated in this Prospectus by reference. The annual reports have been audited by Scandinavian Cosmetics Group Holding AB's auditor and the auditor's reports for each year have been incorporated by reference in this Prospectus through the annual reports for the financial years which ended 2018 and 2019, respectively.

Scandinavian Cosmetics Aktiebolag

Scandinavian Cosmetics Aktiebolag's financial information for the financial year ending 2019 has been prepared in accordance with the Swedish Annual Reports Act (Sw. *Årsredovisninglag (1995:1554)*) and the accounting rules BFNAR 2012:1 (K3) as adopted by the Swedish Accounting Standards Board (BFN).

Scandinavian Cosmetics Aktiebolag's annual reports for the financial years which ended 2018 and 2019, respectively, have been incorporated in this Prospectus by reference. The annual reports have been audited by Scandinavian Cosmetics Aktiebolag's auditor and the auditor's reports for each year have been incorporated by reference in this Prospectus through the annual reports for the financial years which ended 2018 and 2019, respectively.

Scandinavian Cosmetics Norway Holding AS

Scandinavian Cosmetics Norway Holding AS's financial information for the financial year ending 2019 has been prepared in accordance with Norwegian law and *god regnskapsskikk*.

Scandinavian Cosmetics Norway Holding AS's annual reports for the financial years which ended 2018 and 2019, respectively, have been incorporated in this Prospectus by reference. The annual reports have been audited by Scandinavian Cosmetics Norway Holding AS's auditor and the auditor's reports for each year have been incorporated by reference in this Prospectus through the annual reports for the financial years which ended 2018 and 2019, respectively.

Scandinavian Cosmetics AS (formerly Engelschiøn Marwell Hauge AS)

Scandinavian Cosmetics AS's financial information for the financial year ending 2019 has been prepared in accordance with Norwegian law and *god regnskapsskikk*.

Scandinavian Cosmetics AS's annual reports for the financial years which ended 2018 and 2019, respectively, have been incorporated in this Prospectus by reference. The annual reports have been audited by Scandinavian Cosmetics AS's auditor and the auditor's reports for each year have been incorporated by reference in this Prospectus through the annual reports for the financial years which ended 2018 and 2019, respectively.

Scandinavian Cosmetics Denmark A/S

Scandinavian Cosmetics Denmark A/S's financial information for the financial year ending 2019 has been prepared in accordance with the Danish Financial Statements Act.

Scandinavian Cosmetics Denmark A/S's annual reports for the financial years which ended 2018 and 2019, respectively, have been incorporated in this Prospectus by reference. The annual reports have been audited by Scandinavian Cosmetics Denmark A/S's auditor and the auditor's reports for each year have been incorporated by reference in this Prospectus through the annual reports for the financial years which ended 2018 and 2019, respectively.

ADDITIONAL INFORMATION

Share capital

The Issuer's current share capital amounts to SEK 500,000 divided among 50,000 ordinary shares. The ordinary shares entitle the holder to one vote per share. The shares are denominated in SEK and have been fully paid up.

ACscent Holding AB's current share capital amounts to SEK 1,093,791 divided among 1,093,791 ordinary shares. The shares are denominated in SEK and have been fully paid up.

Scandinavian Cosmetics Group Holding AB's current share capital amounts to SEK 500,000 divided among 5,000 ordinary shares. The shares are denominated in SEK and have been fully paid up.

Scandinavian Cosmetics Aktiebolag's current share capital amounts to SEK 500,000 divided among 5,000 ordinary shares. The shares are denominated in SEK and have been fully paid up.

Scandinavian Cosmetics Norway Holding AS's current share capital amounts to NOK 12,000,000 divided among 100,000 ordinary shares. The shares are denominated in NOK and have been fully paid up.

Scandinavian Cosmetics AS's (formerly Engelschiøn Marwell Hauge AS) current share capital amounts to NOK 2,700,000 divided among 2,700 ordinary shares. The shares are denominated in NOK and have been fully paid up.

Scandinavian Cosmetics Denmark A/S's current share capital amounts to DKK 500,000 divided among 500,000 ordinary shares. The shares are denominated in DKK and have been fully paid up.

Interest of natural and legal persons involved in the Bond Issue

ABG Sundal Collier ASA (the "Issuing Agent") and/or its 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 Issuing Agent and/or its 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.

Documents incorporated by reference

In this Prospectus, the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

- The following sections of the audited consolidated annual report of the Issuer for the financial period commencing 25 October 2018 and ending 31 December 2019:
 - The statements of financial position on pages 7 to 8 and 31 to 32;
 - The income statements on pages 6 and 30;
 - The cash flow statements on pages 10 and 34; and
 - The notes on pages 11 to 29 and 35 to 38, including the description of the accounting principles applied on pages 11 and 35.
- The independent auditor's report to the audited consolidated annual report of the Issuer for the financial period commencing starting 25 October 2018 and ending 31 December 2019.
- The following sections of the audited consolidated annual report of ACscent Holding AB for the financial period commencing starting 27 May 2019 and ending 31 December 2019:
 - The statements of financial position on pages 7 to 8 and 31 to 32;
 - The income statements on pages 6 and 30;
 - The cash flow statements on pages 10 and 34; and

- The notes on pages 11 to 29 and 35 to 37, including the description of the accounting principles applied on pages 11 and 35.
- The independent auditor's report to the audited consolidated annual report of ACscent Holding AB for the financial period commencing starting 27 May 2019 and ending 31 December 2019.
- The following sections of the audited annual report of Scandinavian Cosmetics Group Holding AB for the financial year 2019:
 - The independent auditor's report on pages 13 and 14;
 - The statements of financial position on pages 5 and 6;
 - The income statements on page 4; and
 - The notes on pages 7 to 12, including the description of the accounting principles applied on page 7.
- The following sections of the audited annual report of Scandinavian Cosmetics Group Holding AB for the financial year 2018:
 - The independent auditor's report on pages 9 and 10;
 - The statement of financial position on page 4;
 - The income statement on page 3; and
 - The notes on pages 5 and 6, including the description of the accounting principles applied on page 6.
- The following sections of the audited annual report of Scandinavian Cosmetics Aktiebolag for the financial year 2019:
 - The independent auditor's report on pages 15 and 16;
 - The statements of financial position on pages 5 and 6;
 - The income statements on page 4;
 - The cash flow statement on page 7; and
 - The notes on pages 8 to 14, including the description of the accounting principles applied on page 8.
- The following sections of the audited annual report of Scandinavian Cosmetics Aktiebolag for the financial year 2018:
 - The independent auditor's report on pages 14 and 15;
 - The statement of financial position on pages 5 and 6;
 - The income statement on page 4;
 - The cash flow statement on page 7; and
 - The notes on pages 8 to 13, including the description of the accounting principles applied on page 8.
- The following sections of the audited annual report of Scandinavian Cosmetics Norway Holding AS for the financial year 2019:
 - The independent auditor's report on pages 12 and 13;
 - The statements of financial position on pages 6 and 7;

- The income statements on page 5;
- The cash flow statement on page 8; and
- The notes on pages 9 to 11, including the description of the accounting principles applied on page 9.
- The following sections of the audited annual report of Scandinavian Cosmetics Norway Holding AS for the financial year 2018:
 - The independent auditor's report on pages 15 to 18;
 - The statement of financial position on pages 7 to 10;
 - The income statement on page 6;
 - The cash flow statement on page 11; and
 - The notes on pages 12 to 14, including the description of the accounting principles applied on page 12.
- The following sections of the audited annual report of Scandinavian Cosmetics AS (formerly Engelschjøn Marwell Hauge AS) for the financial year 2019:
 - The independent auditor's report on pages 18 to 19;
 - The statements of financial position on pages 6 to 8;
 - The income statements on page 5;
 - The cash flow statement on page 9; and
 - The notes on pages 10 to 17, including the description of the accounting principles applied on pages 10 and 11.
- The following sections of the audited annual report of Scandinavian Cosmetics AS (formerly Engelschjøn Marwell Hauge AS) for the financial year 2018:
 - The independent auditor's report on pages 22 to 25;
 - The statement of financial position on pages 9 to 12;
 - The income statement on page 8;
 - The cash flow statement on page 13; and
 - The notes on pages 14 to 21, including the description of the accounting principles applied on pages 14 and 15.
- The following sections of the audited annual report of Scandinavian Cosmetics Denmark A/S for the financial year 2019:
 - The independent auditor's report on pages 2 to 5;
 - The statements of financial position on pages 8 and 9;
 - The income statements on page 7; and
 - The notes on pages 10 to 21, including the description of the accounting principles applied on pages 15 to 21.
- The following sections of the audited annual report of Scandinavian Cosmetics Denmark A/S for the financial year 2018:
 - The independent auditor's report on pages 3 to 7;

- The statement of financial position on pages 10 and 11;
- The income statement on page 9; and
- The notes on pages 13 to 22, including the description of the accounting principles applied on pages 16 to 22.

The abovementioned reports are available in electronic form on the Issuer's web page and can also be obtained from the Issuer in paper format in accordance with section "*Documents available for inspection*" below.

Investors should read all information which is incorporated in the Prospectus by reference.

Dependency on subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's direct and indirect subsidiaries. The Issuer is therefore dependent upon receipt of sufficient income and cash flow related to the operations of the other companies within the Group to service its debt under the Bonds. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries.

Limitations or restrictions on the transfer of funds between companies within the Group may become more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Bonds.

Litigation

As of the date of this Prospectus neither the Issuer, the Guarantors nor the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), and has not been for the last 12 months, which may have, or have had in the recent past, significant effects on the Issuer's, the Guarantors' and/or the Group's financial position or profitability.

No Significant Change in the Issuer's, the Guarantors' or the Group's Financial or Trading Position and Trend Information

There has been:

- (i) no significant change in the financial or trading position of the Issuer, the Guarantors or the Group since 31 December 2019;
- (ii) no recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's or Guarantors' solvency since 31 December 2019 (except as described in section "*Recent Events*" above);
- (iii) no material adverse change in the financial position or prospects of the Issuer, the Guarantors or the Group since 31 December 2019; and
- (iv) no significant change in the financial performance of the Group since 31 December 2019.

MATERIAL CONTRACTS

Guarantee and Adherence Agreement

The guarantee and adherence agreement dated 11 February 2020 was entered into between the Guarantors and the Security Agent for itself and on behalf of Secured Parties (each as defined therein). Pursuant to the Guarantee and Adherence Agreement each Guarantor, jointly and severally, irrevocably and unconditionally guarantees as principal obligor and as for its own debt (Sw. *proprieborgen*), to each Secured Party the full and punctual and performance of all Secured Obligations.

The Guarantee and Adherence Agreement is governed by Swedish law.

Other than as stated above, neither the Issuer nor any of the Guarantors have entered into any material agreements.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be obtained from the Issuer in paper format upon request during the validity period of this Prospectus at the Issuer's head office and through the Issuer's website: www.ae42017.com.

- the up to date articles of association and certificates of registration of the Issuer and the Guarantors;
- the Guarantee and Adherence Agreement; and
- all documents which by reference are a part of this Prospectus, including historical financial information for the Issuer and the Guarantors.

TERMS AND CONDITIONS FOR THE BONDS

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 pursuant to the Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Acquisition**" means the acquisition by the Issuer of all of the shares in the Target Company.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services, or (b) any other trade credit incurred in the ordinary course of business where payment is due no more than 90 days after the date of trade.

"**Affiliate**" means any 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 on or prior to the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer, the Security Agent and the Agent.

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

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

"**Bondholder**" means the Person who is registered on a Securities Account as direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

"**Business Day**" means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

"**Business Day Convention**" means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"**Call Option Amount**" mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

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

- (a) after the Completion Date and prior to an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate

of the Main Shareholder), acting together, acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer; and

- (b) on or after an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate of the Main Shareholder), acting together, acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than 30 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

"Completion Date" means the date of disbursements of the proceeds from the Proceeds Account.

"Compliance Certificate" means a certificate to the Agent, substantially in the form set out in Schedule 1 (*Form of Compliance Certificate*), signed by the Issuer certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the relevant Incurrence Test is met (including figures in respect of the relevant financial test and the basis on which they have been calculated);
- (c) if the Compliance Certificate is provided in connection with a clean down, that a clean down of the Working Capital Facility or Super Senior RCF (as applicable) has been completed with information on the relevant days for the clean down period and a confirmation that at least three (3) months since the preceding clean down had elapsed prior to the clean down in relation to which the Compliance Certificate is delivered; and/or
- (d) if the Compliance Certificate is provided in connection with the audited annual financial statements being made available, information on the full legal details of any Material Group Companies and the relevant supporting calculations for qualification as Material Group Company.

"CSD" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

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

"Debt Instruments" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an MTF.

"Delisting" means, following an Equity Listing Event, (i) the delisting of the shares in the Parent from a Regulated Market or (ii) trading in the ordinary shares of the Parent on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

"EBITDA" means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;

- (c) before taking into account any extraordinary items and restructuring costs which are not in line with the ordinary course of business provided that such items are not in excess of an amount equal to ten (10) per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any Group Company;
- (f) 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);
- (g) before taking into account any Pension Items;
- (h) 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;
- (i) 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;
- (j) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (k) 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
- (l) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Equity Claw Back" means a voluntary partial prepayment in accordance with paragraph (a) of Clause 9.4 (*Equity Claw Back*).

"Equity Listing Event" means an initial public offering of shares in the Parent, after which such shares shall be admitted to trading on a Regulated Market.

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

"Final Maturity Date" means 8 November 2024.

"Finance Charges" means, for the Reference 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, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, any interest in respect of any loan owing to any member of the Group or capitalised interest in respect of any Subordinated Debt and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

"Finance Documents" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;

- (e) the Guarantee and Adherence Agreement;
- (f) the Intercreditor Agreement (if any); and
- (g) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

"Finance Leases" 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 accounting principles applicable prior to 31 December 2018 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the accounting principles as applicable prior to 31 December 2018 shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a finance lease. For the avoidance of doubt, the treatment of leases pursuant to the aforesaid should also apply to the calculation of EBITDA.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

"Financial Instruments Accounts Act" means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) and 11.1(a)(ii).

"First Call Date" means the date falling 30 months after the First Issue Date.

"First Issue Date" means 8 November 2019.

"Floating Rate Margin" means 6.25 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in Clause 25(a).

"Group" means the Issuer and its Subsidiaries from time to time and **"Group Company"** means any of them.

"Guarantee and Adherence Agreement" means the guarantee and adherence agreement pursuant to which the Guarantors shall, amongst other, (i) guarantee all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, (ii) agree to

subordinate all subrogation claims, and (iii) other than in respect of the Parent, undertake to adhere to the terms of the Finance Documents.

"Guarantees" means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

"Guarantors" means:

- (h) the Parent;
- (i) the Initial Material Companies; and
- (j) each other Material Group Company (other than the Issuer).

"Incurrence Test" means the incurrence test set out in Clause 12.1 (*Incurrence Test*).

"Initial Nominal Amount" has the meaning set forth in Clause 2(c).

"Initial Bond Issue" means the issuance of the Initial Bonds.

"Initial Bonds" means the Bonds issued on the First Issue Date.

"Initial Material Company" means each of:

- (a) Scandinavian Cosmetics Group Holding AB, a limited liability company incorporated in Sweden with reg. no. 559028-7891;
- (b) Scandinavian Cosmetics Aktiebolag, a limited liability company incorporated in Sweden with reg. no. 556238-6895;
- (c) Scandinavian Cosmetics Norway Holding AS, a limited liability company incorporated in Norway with reg. no. 983 350 062;
- (d) Engelschjøn Marwell Hauge AS, a limited liability company incorporated in Norway with reg. no. 971003839; and
- (e) Scandinavian Cosmetics Denmark A/S, a limited liability company incorporated in Denmark with reg. no. 38183532.

"Insolvent" means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

"Intercreditor Agreement" means the intercreditor agreement to be entered into between, amongst other, the Issuer, the super senior RCF creditors under the Super Senior RCF, the facility agent under the Super Senior RCF, certain hedging counterparties and the Agent (representing the Bondholders).

"Interest" means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

"Interest Payment Date" means 8 February, 8 May, 8 August and 8 November each year. The first Interest Payment Date shall be 8 February 2020. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent

Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" means a rate of 3 months STIBOR plus the Floating Rate Margin. *per annum*.

"Issuer" means AE4 2017 Sweden AB, a limited liability company incorporated in Sweden with reg. no. 559177-5266.

"Issuing Agent" means ABG Sundal Collier ASA, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

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

"Listing Failure Event" means:

- (a) that the Initial Bonds have not been admitted to listing on Frankfurt Stock Exchange Open Market (or a MTF) within 60 days from the First Issue Date and with an intention to complete such listing within 30 days after the First Issue Date;
- (b) any Subsequent Bonds have not been admitted to listing on Frankfurt Stock Exchange Open Market (or other relevant MTF) within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 20 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued after the date of the listing of the Bonds on Nasdaq Stockholm (or another Regulated Market) in which case the Subsequent Bonds shall be listed on Nasdaq Stockholm (or the relevant Regulated Market (as applicable)) within 60 days after the issuance of such Subsequent Bonds);
- (c) no later than 12 months after the First Issue Date, the Bonds cease to be listed on Frankfurt Stock Exchange Open Market (or other relevant MTF) without being listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market); or
- (d) except as set out in paragraph (c) above, the Bonds, once admitted to listing on the corporate bond list of the relevant Regulated Market or MTF (as applicable), cease to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) without being admitted to listing on another Regulated Market.

"Main Shareholders" means AccentFour 2017 Holding Ltd or any of its Affiliates.

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on any Regulated Market, MTF or any other regulated or unregulated recognised market place.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the ability of the Obligors (taken as whole) to comply with their obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

"Material Group Companies" means, at any time:

- (a) the Issuer; and
- (b) any wholly-owned Group Company which is nominated as such by the Issuer in accordance with Clause 13.13 (*Nomination of Material Group Companies*).

"Material Intercompany Loan" means any intercompany loans between Material Group Companies or Material Group Companies and non-Material Group Companies where:

- (a) the term of the intercompany loan is at least 12 months (the term to be determined by the Issuer); and
- (b) the principal amount thereof is at least in an amount exceeding SEK 10,000,000,

initially being a loan in the amount of up to SEK 130,000,000 from the Issuer to the Target Company, made on or about the date of disbursement of the funds from the Proceeds Account.

"MTF" means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"Net Finance Charges" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Subordinated Debt).

"Net Interest Bearing Debt" means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Subordinated Debt, pension liabilities, treasury transactions, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

"Net Proceeds" means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and the Issuing Agent 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, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Equity Claw Back*).

"Obligors" means the Issuer and each Guarantor other than the Parent.

"Parent" means ACscent Holding AB, a limited liability company incorporated in Sweden with reg. no. 559209-0533.

"Pension Items" means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme.

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred by any member of the Group under either a Working Capital Facility or, provided that an Intercreditor Agreement has been entered into, a Super Senior RCF, in an amount not exceeding SEK 60,000,000;
- (c) to the extent covered by a letter of credit, guarantee or indemnity issued under the Super Senior RCF, provided that an Intercreditor Agreement has been entered into, or any ancillary facility relating thereto;
- (d) incurred under any Super Senior Hedges;
- (e) incurred under the Refinancing Debt until the Completion Date;
- (f) of the Group incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of SEK 15,000,000;

- (g) of the Group under any guarantee issued by a Group Company in the ordinary course of business, including for the avoidance of doubt any guarantee from a Group Company to a third party in relation to any cash pool arrangements of the Group;
- (h) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (i) incurred under any Subordinated Debt;
- (j) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test New Debt tested pro forma including such incurrence, and
 - (i) is incurred as a result of a Subsequent Bond Issue; or
 - (ii) is unsecured and ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date;
- (k) incurred as a result of any Group Company acquiring another entity after the First Issue Date which entity already had incurred Financial Indebtedness but not incurred or increased or having its maturity date extended in contemplation of, or since that acquisition, provided that:
 - (i) the Incurrence Test New Debt is met on a pro forma basis if tested immediately after the making of that acquisition, and
 - (ii) such Financial Indebtedness is:
 - (A) repaid in full within 90 days of completion of such acquisition; or
 - (B) refinanced in full within 90 days of completion of such acquisition with the Issuer as the new borrower;
- (l) incurred under Advance Purchase Agreements;
- (m) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (n) arising under any counter-indemnity obligation in respect of a guarantee, bond, 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;
- (o) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a third-party to the benefit of any customs service authority or tax authority in respect of an underlying liability in the ordinary course of business of a Group Company;
- (p) 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; and
- (q) not covered under paragraphs (a)-(p) above in an aggregate maximum amount of SEK 5,000,000.

"Permitted Merger" means a merger between Group Companies provided that:

- (a) the transferee Group Company shall be or become a Guarantor if the transferor Group Company is a Guarantor;
- (b) any transferor Group Company which shares are subject to the Transaction Security may only be merged with a transferee Group Company which shares are, or will be, subject to Security in favour of the Secured Parties; and
- (c) following the merger the Transaction Security granted to the Secured Parties is the same or equivalent following the merger, except if such Transaction Security constitutes Security over intra-group loans granted between the Group Companies that are to be merged in which case the merger shall be permitted notwithstanding that such Transaction Security will not remain following the merger provided that the Security Agent (acting in its sole discretion) have given its consent thereto.

"Permitted Security" means any Security:

- (a) provided under the Finance Documents and otherwise permitted pursuant to the Intercreditor Agreement (if any);
- (b) under the Refinancing Debt, up until the Completion Date;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (e) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (f) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (f) of the definition of "Permitted Debt";
- (g) subsisting as a result of any Group Company acquiring another entity after the First Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (k) of the definition of "Permitted Debt", provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (h) affecting any asset acquired by any Group Company after the First Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (i) created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (j) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (k) provided for a Working Capital Facility or, provided that an Intercreditor Agreement has been entered into, a Super Senior RCF, in the maximum amount of SEK 60,000,000;
- (l) provided by or over a Group Company to secure any Permitted Debt referred to in paragraphs (c), (d), (i), (j) and (m) of the definition "Permitted Debt"; or
- (m) not covered under paragraphs (a)-(l) above securing an aggregate maximum amount of SEK 5,000,000.

"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.

"Proceeds Account" means a bank account of the Issuer, into which the Net Proceeds from the Initial Bond Issue will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

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

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

"Redemption Date" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

"Reference Date" means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

"Reference Period" means each period of 12 consecutive calendar months.

"Refinancing Debt" means existing outstanding working capital related debt relating to an inventory financing facility with Collector AB as creditor in an amount of up to SEK 125,000,000.

"Regulated Market" means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"Restricted Payment" has the meaning set forth in Clause 13.2(a).

"Secured Obligations" means (i) unless the Intercreditor Agreement has been entered into, all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Finance Documents, and (ii) if the Intercreditor Agreement has been entered into, the meaning given to such term in the Intercreditor Agreement.

"Secured Parties" means (i) unless the Intercreditor Agreement has been entered into, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement and in its capacity as security agent), and (ii) if the Intercreditor Agreement has been entered into, the meaning given to such term in the Intercreditor Agreement.

"Securities Account" means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act 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" means (i) unless the Intercreditor Agreement has been entered into, the Agent as security agent or another party replacing it as Security Agent, in accordance with these Terms and Conditions, and (ii) if the Intercreditor Agreement has been entered into, the security agent appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties.

"Security Documents" means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

"Security Take-Up Agreement" means:

- (a) each of the Security Agreements pursuant to paragraphs (e)-(h) under the definition of "Transaction Security"; and
- (b) the Guarantee and Adherence Agreement.

"Sole Bookrunner" means ABG Sundal Collier AB.

"STIBOR" means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

"Subordinated Debt" means any loan made to the Issuer as debtor, if such loan:

- (a) according to the Intercreditor Agreement (if any) or other subordination agreement entered into on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents.

"Subsequent Bond Issue" has the meaning set forth in Clause 2(e).

"Subsequent Bonds" means any Bonds issued after the First Issue Date on one or more occasions.

"Subsidiary" means, in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) 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 given thereto in the Intercreditor Agreement, provided that the Intercreditor Agreement has been entered into.

"Super Senior Hedges" means hedging transactions entered into by a Group Company in respect of payments to be made under the Bonds or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes, to the extent the hedging counterparty has acceded to the Intercreditor Agreement (if any).

"**Super Senior RCF**" has the meaning given thereto in the Intercreditor Agreement, provided that the Intercreditor Agreement has been entered into.

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

"**Target Company**" means Scandinavian Cosmetics Group Holding AB, a limited liability company incorporated in Sweden with reg. no. 559028-7891.

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

"**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 (i) a Bond Issue, (ii) the Working Capital Facility or, provided that an Intercreditor Agreement has been entered into, the Super Senior RCF (iii) the listing of the Bonds, and (iv) acquisitions (including but not limited to the Acquisition).

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) a Swedish law governed pledge over all the shares in the Issuer granted by the Parent;
- (b) a Swedish law governed pledge over all the shares in the Target Company granted by the Issuer;
- (c) a pledge over any current and future loans provided by the Parent to the Issuer;
- (d) a pledge over any current and future Material Intercompany Loans;
- (e) a Swedish law governed pledge over all the shares in Scandinavian Cosmetics Aktiebolag granted by Scandinavian Cosmetics Group Holding AB;
- (f) a Norwegian law governed pledge over all the shares in Scandinavian Cosmetics Holding Norway AS granted by Scandinavian Cosmetics Group Holding AB;
- (g) a Norwegian law governed pledge over all the shares in Engelschjøn Marwell Hauge AS granted by Scandinavian Cosmetics Holding Norway AS; and
- (h) a Danish law governed pledge over all the shares in Scandinavian Cosmetics Denmark A/S granted by Scandinavian Cosmetics Group Holding AB.

"**Working Capital Facility**" means any working capital facility provided for the general corporate purposes of the Group, including any ancillary facilities related to recourse factoring.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any 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;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;

- (v) a provision of law is a reference to that provision as amended or re-enacted; and
- (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor 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 Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security 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.

2. STATUS OF THE BONDS

- (a) The Bonds are denominated in Swedish Kronor 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.
- (b) 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.
- (c) The initial nominal amount of each Initial Bond is SEK 1,250,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 370,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test New Debt is met, the Issuer may, on one or more occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) upon the incurrence of any Super Senior Debt, the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement (if any).
- (g) 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

- (h) 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

The proceeds from the Initial Bond Issue shall be used to (i) finance the Acquisition (ii) partially refinance the Refinancing Debt and (iii) finance Transaction Costs.

The proceeds from any Subsequent Bond Issue shall be used to finance (i) Transaction Costs and (ii) general corporate purposes including acquisitions.

4. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

4.1 Conditions Precedent Initial Bond Issue

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
 - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents other than as set out under Clause 4.2 (*Conditions Subsequent*)) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of the Finance Documents, duly executed (other than as set out under Clause 4.2 (*Conditions Subsequent*));
 - (iii) evidence by way of a release letter and a funds flow statement that the security existing in favour of the Refinancing Debt will be released and discharged upon repayment of the Refinancing Debt unless such security shall remain, at the option of the Issuer, pursuant to paragraph (k) of the definition Permitted Security.
 - (iv) evidence that the Transaction Security either has been or will be perfected in accordance with the terms of the Finance Documents (other than as set out under Clause 4.2 (*Conditions Subsequent*));
 - (v) closing certificate signed by the Issuer confirming that all closing conditions for the acquisition of the Target Company (except for the payment of the purchase price) have been satisfied or waived and that the acquisition will be consummated immediately upon disbursement of funds from the Proceeds Account;
 - (vi) an agreed form Compliance Certificate;
 - (vii) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document (other than as set out under Clause 4.2 (*Conditions Subsequent*)) issued by a reputable law firm; and
 - (viii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm (other than as set out under Clause 4.2 (*Conditions Subsequent*)).

- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above from a legal or commercial perspective on behalf of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within eighty (80) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(e). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the eighty (80) Business Days period referred to above.

4.2 Conditions Subsequent

The Issuer shall procure that no later than 90 days after the Acquisition each Initial Material Company (to the extent permitted by applicable law) enters into the relevant Security Take-Up Agreements and in connection therewith provides to the Agent:

- (a) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute those Finance Documents) for the relevant Initial Material Company and each other party to the Security Take-Up Agreements (other than the Agent and the Security Agent);
- (b) duly executed copies of the Security Take-Up Agreements;
- (c) any legal opinion on the capacity and due execution unless such Initial Material Company is incorporated in Sweden, issued by a reputable law firm; and
- (d) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

If the Conditions Subsequent have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within ninety (90) days after the Acquisition, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest.

5. BONDS IN BOOK-ENTRY FORM

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise

have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- (a) 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 proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation 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 the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it 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.
- (d) 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.

7. PAYMENTS IN RESPECT OF THE BONDS

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- (c) 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 without any default interest in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, 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.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if issued prior to the first Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) 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.
- (c) 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).
- (d) If the Issuer fails to pay any amount payable by it 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 (2) percentage points higher than the Interest Rate. Accrued 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.

9. REDEMPTION AND REPURCHASE OF THE BONDS

9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled, except in connection with a full redemption of the Bonds.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
 - (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.125 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest;

- (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.125 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 102.5 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iv) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the first Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (v) any time from and including the first Business Day falling 48 months after the First Issue Date to, but excluding, the first Business Day falling 54 months after the First Issue Date at an amount per Bond equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
 - (vi) any time from and including the first Business Day falling 54 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) 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 redemption.

9.4 Equity Claw Back

- (a) The Issuer may on one occasion, in connection with an Equity Listing Event, redeem up to 35 per cent. of the total Initial Nominal Amount, in which case all outstanding Bonds shall be partially redeemed by way of reducing the Nominal Amount of each Bond *pro rata*. The redemption must occur on an Interest Payment Date within 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). The redemption amount per Bond shall equal the redeemed percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus up to, but excluding, the First Call Date a premium on the redeemed amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the redemption occurs, a premium on the redeemed amount equal to the Call Option Amount for the relevant period.
- (b) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent and, upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in SEK and paid to the

Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

- (c) Notwithstanding paragraphs (a) and (b) above, the total Nominal Amount must be at least 65 per cent. of the total Initial Nominal Amount at any time other than in connection with a redemption of the Bonds in full in accordance with Clause 9.1 (*Redemption at maturity*) or Clause 9.3 (*Voluntary total redemption (call option)*).

9.5 Mandatory repurchase due to a Change of Control Event, Listing Failure Event, Delisting (put option)

- (a) Upon the occurrence of a Change of Control Event, Listing Failure Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting pursuant to Clause 11.1(f) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure Event or Delisting.
- (b) The notice from the Issuer pursuant to Clause 11.1(f) shall specify the repurchase 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 repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(f). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

10. TRANSACTION SECURITY AND GUARANTEES

- (a) Subject to the Intercreditor Agreement (if any), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement, and the Intercreditor Agreement (if any) (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Security Agent has received instructions to the contrary in accordance with the Intercreditor Agreement (or if no Intercreditor Agreement is entered into, in accordance with Clause 16 (*Decisions by Bondholders*)), the Security 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 Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the super senior RCF creditor's under the Super Senior RCF, the creditors' under any New Debt, the hedge counterparties' under the Hedging Agreement or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.

- (d) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement (if any).

11. INFORMATION TO BONDHOLDERS

11.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
 - (i) as soon as the same become available, but in any event within six (6) months of 31 December 2019, and thereafter within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, 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;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group, 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; and
 - (iii) as soon as the same become available, but in any event within two months after the end of 30 September 2019 and 31 December 2019 a trading update consolidated for the Group including revenue, EBITDA and gross profit for the last calendar quarter and the last twelve (12) months as well as cash position and management commentary describing key development/events for the last calendar quarter.
- (b) The first Financial Report to be delivered pursuant to paragraph (a) above shall be delivered on a date falling no later than two (2) months after 31 March 2020.
- (c) Any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (d) When the Bonds have been listed on a Regulated Market:
 - (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
 - (ii) the reports referred to in Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (f) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure Event or Delisting, and shall provide

the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (g) The Issuer shall promptly 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. 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.
- (h) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
 - (i) in connection with the testing of the Incurrence Test;
 - (ii) in connection with nomination of Material Group Companies in accordance with Clause 13.13 (*Nomination of Material Group Companies*); and
 - (iii) in respect of the clean down of the Working Capital Facility or, provided that an Intercreditor Agreement has been entered into, the Super Senior RCF.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (h) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent pursuant to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

11.2 Information from the Agent

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any 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 other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*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.

11.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.

- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

12. FINANCIAL UNDERTAKINGS

12.1 Incurrence Test New Debt

The Incurrence Test New Debt is met if:

- (a) the Leverage Ratio is not greater than:
 - (i) 3.75:1 for the period up to, and including, the date falling twelve (12) months after the First Issue Date;
 - (ii) 3.25:1 for the period from, but excluding, the date falling 12 months after the First Issue Date to, and including, the date falling 24 months after the First Issue Date;
 - (iii) 2.75:1 from, but excluding, the date falling 24 months after the First Issue Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence or distribution (as applicable).

12.2 Incurrence Test Distributions

The Incurrence Test Distributions is met if:

- (a) the Leverage Ratio is not greater than 2.00:1; and
- (b) no Event of Default is continuing or would occur upon the incurrence or distribution (as applicable).

12.3 Testing of the Incurrence Tests

The Leverage Ratio for purpose of the Incurrence Tests shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than one (1) month prior to the incurrence of the new Financial Indebtedness or the distribution (as applicable); and
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12.4 Calculation Adjustments

The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report delivered prior to the date determined under Clause 12.3(a) shall be used for the Incurrence Tests, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period;
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period; and

- (c) net cost savings realisable for the Group during the next twelve (12) months as a result of acquisitions and/or disposals of entities referred to in (a) and (b) above, provided that such net cost savings (i) do not exceed an aggregate maximum amount of ten (10) per cent. of EBITDA for the Reference Period and (ii) such savings are confirmed in writing in a certificate duly signed by the Issuer.

13. GENERAL UNDERTAKINGS

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Obligor (pursuant to the Guarantee and Adherence Agreement) undertakes to) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Restricted Payments

- (a) No Obligor shall, and shall procure that none of its Subsidiaries will:
 - (i) pay any dividend in respect of its shares;
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
 - (iv) repay any Subordinated Debt or pay any interest thereon;
 - (v) make any prepayments or repayments under any long term debt ranking junior or *pari passu* with the Bonds; or
 - (vi) make any other similar distribution or transfers of value to any Person,(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made:
 - (i) if made to the Issuer or a direct or indirect Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
 - (ii) if:
 - (A) the Incurrence Test Distributions is met (calculated on a *pro forma* basis including the relevant Restricted Payment);
 - (B) it is applied against prepayment of principal and payment of interest under any subordinated loans provided to the Parent which were applied for the purpose of making further contribution to the Issuer;
 - (C) at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) and e)) in that fiscal year (including the Restricted Payment in question) does not exceed the lower of (i) 50 per cent. of the Group's consolidated net profit for the previous financial year adjusted for any distribution to any minority shareholder and (ii) SEK 65,000,000; and

- (D) such Restricted Payment is made no earlier than three (3) years from the First Issue Date;
- (iii) following an Equity Listing Event by the Issuer:
 - (A) the Incurrence Test Distributions is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and
 - (B) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) and e)) in that fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous financial year adjusted for any distribution to any minority shareholder;
- (iv) if and to the extent necessary to comply with mandatory provisions of the Swedish Companies Act relating to dividend distributions to minority shareholders, provided that the Issuer in such case shall ensure that any such dividends shall be paid at the lowest level allowed by applicable law; and/or
- (v) by way of a group contributions (Sw. *koncernbidrag*) to a Group Company or the Parent, provided such are made merely as an accounting measure and where no cash or other funds are transferred from a Group Company as a result thereof.

13.3 Nature of Business

Each Obligor shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the date of the Acquisition.

13.4 Financial Indebtedness

No Obligor shall, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, other than Permitted Debt.

13.5 Disposal of Assets

- (a) Subject to the terms of the Intercreditor Agreement (if any), no Obligor shall, and shall procure that no Subsidiary will, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.
- (b) No asset that is subject to Transaction Security may be disposed of other than in accordance with the terms of the Intercreditor Agreement (if any).

13.6 Negative Pledge

No Obligor shall, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their respective assets (present or future), other than any Permitted Security.

13.7 Loans out

No Obligor shall, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party than (i) in the ordinary course of business or (ii) to a Group Company, but if made from a Group Company to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis.

13.8 Clean Down of Working Capital Facility or Super Senior RCF

The Issuer shall procure that during each calendar year there shall be a period of three (3) consecutive days during which the amount outstanding under the Working Capital Facility or, provided that an Intercreditor Agreement has been entered into, the Super Senior RCF (excluding any non-cash elements of ancillary facilities), less cash and cash equivalents of the Group, amounts to zero (0) or less. Not less than three (3) months shall elapse between two such periods. The clean down shall be confirmed in a Compliance Certificate which shall be delivered to the Agent within ten (10) Business Days from the completion of each clean down.

13.9 Mergers and demergers

Each Obligor shall procure that none of its Subsidiaries will enter into a merger or demerger unless:

- (a) such merger or demerger constitutes a Permitted Merger; or
- (b) such merger or demerger is not likely to have a Material Adverse Effect.

13.10 Dealings at arm's length terms

Each Obligor shall, and shall procure that its Subsidiaries, conduct all dealings with any Person (other than Group Companies) at arm's length terms.

13.11 Compliance with laws and authorisations

Each Obligor shall, and shall make sure that its Subsidiaries will, comply with all laws and regulations applicable from time to time if failure to do so has or is reasonably likely to have a Material Adverse Effect.

13.12 Material Intercompany Loans

No Obligor shall (and each Obligor shall procure that no Group Company will) make any payments in respect of any Material Intercompany Loans, except (i) payment of principal under Material Intercompany Loans made for the purpose of making payments under the Bonds and (ii) payment of interest under Material Intercompany Loans, in each case provided that no Event of Default has occurred and is continuing.

13.13 Nomination of Material Group Companies

- (a) Once every year (starting in 2020) (simultaneously with the publication by the Issuer of the audited annual financial statements of the Group); and
- (b) at the date of acquisition of any assets by a Group Company financed (in whole or in part) by Permitted Debt for a consideration in excess of 10 per cent. of EBITDA of the Group (calculated on a consolidated basis) (simultaneously with the completion of the relevant acquisition),

the Issuer shall ensure that:

- (a) each Group Company which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has EBITDA representing 10 per cent. or more of EBITDA of the Group (calculated on a consolidated basis); and
- (b) such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies (calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any Group Company) in aggregate account for at least 85 per cent. of EBITDA of the Group (calculated on a consolidated basis),

in each case, determined by reference to the most recent audited annual financial statements, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto.

13.14 Additional Security over Material Group Companies

Each Obligor shall procure that Security over the shares in each Material Group Company (subject to customary financial assistance and corporate benefit limitations) is granted no later than 90 days after its nomination in accordance with the Clause 13.13 (*Nomination of Material Group Companies*) above and in connection therewith provide to the Agent:

- (a) constitutional documents and corporate resolutions (approving the relevant Security Document and authorising a signatory/-ies to execute that Security Document) for the relevant security provider and each other party to that Security Document (other than the Agent and the Security Agent);
- (b) copies of the relevant Security Documents;
- (c) evidence that the relevant Transaction Security either has been or will be perfected in accordance with the terms of the relevant Security Document;
- (d) any legal opinion on the capacity and due execution in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (e) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

13.15 Additional Guarantors

Each Obligor shall procure that each Material Group Company accedes to the Guarantee and Adherence Agreement no later than 90 days after its nomination in accordance with Clause 13.13 (*Nomination of Material Group Companies*) above and in connection therewith provides to the Agent:

- (a) Security pursuant to the terms hereof and the Intercreditor Agreement (if any);
- (b) duly executed accession letters to the Guarantee and Adherence Agreement;
- (c) duly executed accession letters to the Intercreditor Agreement (if any);
- (d) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for it and each other party to a Finance Document (other than the Agent and the Security Agent);
- (e) any legal opinion on the capacity and due execution unless such Material Group Company is incorporated in Sweden, issued by a reputable law firm; and
- (f) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

13.16 Additional Security Material Intercompany Loans

Each Obligor shall and shall procure that each Group Company will, no later than ten (10) Business Days after the incurrence of a Material Intercompany Loan, grant a pledge over that Material Intercompany Loan as Security (subject to customary financial assistance and corporate benefit limitations) for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent and the Security Agent);
- (b) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an Event of Default.

14.1 Non-Payment

An Obligor fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five (5) Business Days of the due date.

14.2 Other Obligations

A party (other than the Agent and the Security Agent) fails to comply with the Finance Documents, in any other way than as set out in Clause 14.1 (*Non-Payment*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within twenty (20) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

14.3 Cross payment default and Cross-acceleration

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) 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 Clause 14.3 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 or (ii) it is owed to a Group Company.

14.4 Insolvency

- (a) 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 (except for Bondholders) with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

14.5 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 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer not being an Obligor or subject to Transaction Security, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
- (b) 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 its assets or any analogous procedure or step is taken in any jurisdiction.

14.6 Creditors' Process

Any 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 SEK 10,000,000 and is not discharged within 60 days.

14.7 Mergers and demergers

A decision is made that the Issuer shall enter into a merger where it is not the surviving entity or that it shall enter into a demerger.

14.8 Impossibility or Illegality

It is or becomes impossible or unlawful for any Obligor to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

14.9 Continuation of the Business

The Issuer or any other Material Group Company ceases to carry on its business (other than (i) following a Permitted Merger, (ii) a solvent liquidation permitted pursuant to Clause 14.5 (*Insolvency Proceedings*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

14.10 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement (if any), 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 may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is

received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.10(d), 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.

- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.10(a) 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).
- (c) 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) 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 consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) 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.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) Subject to the Intercreditor Agreement (if any), in the event of an acceleration of the Bonds in accordance with this Clause 14.10, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

15. DISTRIBUTION OF PROCEEDS

- (a) Unless an Intercreditor Agreement has been entered into, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the below) shall be distributed in the following order of priority:
 - (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent and the Security Agent in accordance with the Agency Agreement (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 or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent and 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 20.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(m);

- (ii) *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);
- (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer (or the Guarantors, as applicable).

- (b) If the Intercreditor Agreement has been entered into, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreement.
- (c) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).
- (d) Unless the Intercreditor Agreement has been entered into, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing 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 15 as soon as reasonably practicable. If the Intercreditor Agreement has been entered into, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (e) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Equity Claw Back*) due but not made, the Record Date specified in Clause 9.4(b) shall apply.

16. DECISIONS BY BONDHOLDERS

- (a) 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.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and 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. Notwithstanding the foregoing, the appointment of a Bondholders' Committee shall always be dealt with at a Bondholders' Meeting.

- (c) 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 laws.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
 - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), 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 definition of Adjusted Nominal Amount.

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) 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(c):
 - (i) the issue of any Subsequent Bonds, 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, SEK 500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
 - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
 - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
 - (iv) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Equity Claw Back*));
 - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
 - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
 - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
 - (viii) 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;
 - (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement (as applicable);
 - (x) a mandatory exchange of the Bonds for other securities; and

- (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 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(c). 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(a)(i) or 19(a)(ii)), an acceleration of the Bonds, the appointment of a Bondholders' Committee, or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
 - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.

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.

- (h) 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 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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 appropriate.
- (j) 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.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any 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.
- (l) 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 other Bondholders.
- (m) 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.

- (n) If a decision shall 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 directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group 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.

17. BONDHOLDERS' MEETING

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) 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 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) 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. WRITTEN PROCEDURE

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) 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 (v) the stipulated time period within which the Bondholder must

reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. AMENDMENTS AND WAIVERS

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) 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. APPOINTMENT AND REPLACEMENT OF THE AGENT AND THE SECURITY AGENT

20.1 Appointment of Agent and the Security Agent

- (a) By subscribing for Bonds, each initial Bondholder:
 - (i) appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security 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 any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and
 - (ii) confirms, after the entering into of the Intercreditor Agreement, the appointment under the Intercreditor 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 and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.

- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent and the Security Agent

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, inter alia, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.

Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.

- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security 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 15 (*Distribution of Proceeds*).
- (h) 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.
- (i) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (j) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) 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.
- (k) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (l) Each of the Agent and the Security 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 or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(j).

20.3 Limited liability for the Agent and the Security Agent

- (a) Neither the Agent nor the Security Agent will 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. Neither the Agent nor the Security Agent shall be responsible for indirect loss.

- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security 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.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

20.4 Replacement of the Agent and the Security Agent

- (a) Subject to Clause 20.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and 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/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). 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 and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security 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 and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor

Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.

- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security 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 and/or the Security Agent (as applicable). 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 and/or the Security Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

21. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing Agent may retire from its assignment 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 Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

22. NO DIRECT ACTIONS BY BONDHOLDERS

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security 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 (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 22(a) 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 20.1(c)), 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 by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(j), such failure must continue for at least forty (40)

Business Days after notice pursuant to Clause 20.2(l) before a Bondholder may take any action referred to in Clause 22(a).

- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, Listing Failure Event, Delisting (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. PRESCRIPTION

- (a) 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.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. 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.

24. NOTICES AND PRESS RELEASES

24.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
 - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a);
 - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a); or

- (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (c) 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.

24.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Equity Claw Back*), 11.1(f), 14.10(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 24.2(a), 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.

25. FORCE MAJEURE AND LIMITATION OF LIABILITY

- (a) None of the Agent, the Security Agent or the Issuing 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 or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. GOVERNING LAW AND JURISDICTION

- (a) 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.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

ADDRESSES

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Issuer's auditor

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