



BETSSON AB (PUBL)

**PROSPECTUS REGARDING LISTING OF
SENIOR UNSECURED FLOATING RATE BONDS**

2019/2022

ISIN: SE0013110814

19 November 2019

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Betsson AB (publ) (the “**Company**” or “**Betsson**”), reg. no. 556090-4251, in relation to the application for admission to trading of the Company’s SEK 1,000,000,000 senior unsecured floating rate bonds 2019/2022 with ISIN SE0013110814 (the “**Bonds**”), issued on 26 September 2019 (the “**First 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**”). The Company may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under the Subsequent Bond Issue(s) and the Bond Issue equals SEK 2,500,000,000. References to the Company, Betsson or the Group refer in this Prospectus to Betsson AB (publ) and/or its subsidiaries, unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor. Terms defined in the Terms and Conditions beginning on page 30 shall have the same meanings when used in this Prospectus unless expressly stated otherwise following from the context.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admission to trading of the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. This Prospectus will be available at the SFSA’s web page (www.fi.se) and the Company’s web page (www.betssonab.com), and copies in paper format may be obtained at the Company’s head office.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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 Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company 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 section “*Overview of financial reporting and documents incorporated by reference*” 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

In this section, a number of risk factors are illustrated, both risks pertaining to the Company's and the Group's market risks, business risks, financial risks, legal and regulatory risks, and to risks relating to the nature of the Bonds and the admission of the Bonds to trading on a regulated market.

The risk factors are organised in several categories and the most material risk factor in a category is presented first, where the materiality has been determined based on the probability of occurrence and expected magnitude of negative impact of the risk. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY AND THE GROUP

MARKET RISKS

Negative publicity

The gaming market is a debated industry, especially concerning casino games but may vary depending on jurisdiction. Factors contributing to the declining societal acceptance of gaming could result in a decrease in customers and/or affect the political policies on gaming and result in stricter gaming legislation, a ban on marketing or similar restrictions and/or bans that would have an adverse effect on the whole gaming industry and thereby the Group's operations. The Group is also dependent on its reputation as a renowned gaming provider and its work to prevent gambling addiction and support and protect its customers from developing an addiction. The Group's reputation may also be damaged by, e.g. governmental sanctions due to withdrawal of licenses or compliance disputes and potential investigations regarding anti-money laundering, see the risk factor *License requirements and legislation* below. The acceptance of gambling and the Group's reputation are to a large extent affected by external factors outside of the Group's control such as the current and/or future political policies and media coverage of the gaming industry. The Company considers the probability of the risk occurring to be medium and if factors contributing to the declining acceptance of gambling or the Group's reputation were to occur, the Company considers the potential negative impact to be low.

Competition

The Group currently has a large number of competitors in the online gaming market. The competitive nature of the market has led to increased pressure to anticipate future market demands and trends and to rapidly react on existing and future market needs. The anticipation and demands in the future are hard to predict, there are also changes in the customer behaviour and preferences over time, which requires updated offerings by the Group. A challenge is, thus, to follow the changes in customer behaviour and to adapt the services to meet the customers' demands in order to avoid losing business and revenues to the Group's competitors. If the Group fails to successfully compete, it could result in a significant loss of

customers and an increase of costs to develop new and/or superior online games, other products and/or technologies which in turn could have a material adverse effect on the Group's earnings and thus the Company's ability to make payments under the Bonds. The degree to which competition in the gaming market may affect the Group in the future is uncertain. However, it is the Company's assessment that the probability of the risk occurring is low. If the risk were to occur, the Company considers the potential negative impact to be low.

RISKS RELATED TO THE GROUP'S BUSINESS ACTIVITIES

Risk relating to IT-systems

The Group is highly dependent on the functionality, stability, performance and integrity of its IT-systems, such as its platforms and IT infrastructure. The Group has developed its own online gaming platform (including its sports betting platform), which is integrated with the Group's gaming suppliers. Further, the Group has developed its own payment handling platform. There is a risk for failures in the IT-systems and that the Group's sites or products become partially or completely inaccessible to customers due to periods of shutdowns resulting in transaction errors and loss of customers. It is the Company's assessment that the probability of such disruptions occurring is low. If the risk were to occur, even if it is temporary, the Company considers the potential negative impact to be high.

Dependency on key employees

The Group is dependent on the knowledge, experience and commitment of key employees, and to some extent consultants, for continued development. There is an ongoing need within the Group to recruit and retain staff with a high level of technical experience and expertise of the online gaming industry and the development of games and related technology. However, there is a lack of certain competences in the gambling industry labour market. This leads to risks for high staff turnover and difficulties to retain certain key employees and the replacement of such employees could be costly and time consuming. The loss of certain of its key employees or a failure by the Group to recruit, motivate, develop and retain highly skilled employees could lead to higher labour costs, weaker results or other disruptions in the Group's operations, development and successful growth of its business. The Company considers the probability of the above risk occurring to be low. If the above risk were to occur, the Company considers the potential negative impact to be medium.

Payment solutions

In order for customers to participate in the Group's online games they are required to register and open an account with the Group. In order for customers to be able to deposit money into their accounts, the Group needs to have payment solutions in place that suit their customers' needs and preferences, which can vary in different countries and between customers of different ages. Technical standards and solutions can differ between countries and deposits can be made in different currencies. It is also increasingly important that it is easy and fast for the customers to withdraw cash from their accounts. If the Group fails to offer the payment

solutions and withdrawal methods preferred by existing and potential customers there is a risk that the customer will use the services provided by the Group less frequently or not at all.

Furthermore, the Group is dependent on the acceptance of payments for online gaming by credit card companies, banks and other financial institutions in order to provide its services towards their customers. Should there be a breakdown in these services, even for a short period of time, or if any of the large credit card companies, banks or other financial institutions would cease to handle payments for online gaming in any or all of the jurisdictions in which the Group operates, it would have a negative impact on the Group's operations and market position.

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

Risk relating to cooperation partners and agreements with suppliers

The Group has entered into agreements with so called affiliate services, which direct traffic (*i.e.* potential customers and revenue) to the websites operated by the Group. There is a risk that these companies are unsuccessful in their marketing, terminate the agreements and/or direct traffic to competitors. If these risks would occur, it may have an adverse effect on the Group's ability to attract new customers and on the Group's future profitability. The Company assess the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

In addition, the Group provides platform solutions to business partners offering gambling services to Turkish residents. There is a risk that these partners will terminate their agreements. It is the Company's assessment that this could have an adverse effect on the Group's earnings. The Company assess the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Match-fixing and fraudulent gaming

The Group offers sports betting and is therefore exposed to the risk of customers, or others, trying to manipulate the results of the games. Further, the Group is exposed to risks relating to customers trying to manipulate *e.g.* poker games by using algorithms or other illegal methods. There is a risk that the Group will be obliged to refund losing customers in the event the Group becomes subject to such fraudulent activities and such refunds, or similar payments, may lead to increased costs. In addition, fraudulent activities may also cause significant reputational damage to the Group. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Risks regarding "pooled jackpots"

The Group provides games with "pooled jackpots", *i.e.* where several gaming providers are collaborating to finance one big jackpot based on the result for a certain game. If the Group's pooled jackpots are financed by other gaming providers the responsibility to pay out such

pooled jackpots shall in accordance with the terms of the game remain with the gaming provider that offset the amount. There is a risk that such gaming provider could, due to financial difficulties or otherwise, be unable to pay out a pooled jackpot amount resulting in negative publicity for the Group and that this will have a negative impact on the Group's profitability. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Risks relating to “unlikely winners”

Through the Group's sports betting offering, the Group is exposed to risks relating to “unlikely winners”. The betting on, for example, a football game is divided in different odds, based on the probability in the result. A more unlikely outcome has higher odds (*i.e.* higher returns) than a more probable outcome. Should an unexpected high number of customers bet on unlikely winners, or should an unexpected high amount of games result in unlikely outcomes, or should the Group's internal monitoring systems fail to detect any unusual or abnormal betting patterns, the Group will be obliged to pay out higher winnings to its customers betting on such games than expected, resulting in a decrease of the Groups profitability. This situation could for example occur during the FIFA World Cup, if many of the favourite teams are eliminated already in the group stages and only more “unlikely” teams are in the finals. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

RISKS RELATED TO THE GROUP'S FINANCIAL SITUATION

Currency risk

The Group reports in one currency but has other currencies as functional currencies. The Group's income is therefore exposed to exchange rate fluctuations when sales are made in currencies differing from those in which expenses are incurred (transaction exposure). The Group's revenues are affected primarily by fluctuations in GBP, NOK, EUR, GEL and TRY, and the Group's costs are affected mainly by fluctuations in EUR and GEL. As the exchange rates fluctuate, these fluctuations lead to a transaction exposure as the transactions made in other currencies than the reporting currency need to be recalculated into the reporting currency. Income is also affected by exchange rate fluctuations when the financial results of foreign subsidiaries are translated to SEK (translation exposure). Notwithstanding the Group's hedging policy and that management should not speculate on exchange rate fluctuations, there is a risk that fluctuations in the exchange rates will have a negative impact on the Group's revenue. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Interest rate risk

The Group's revenues and cash flow from operations are essentially independent of changes to the market interest rates. Surplus liquidity in the Group is primarily used to pay revolving short term bank credits. As per 30 June 2019, the Group's external financing consist of a

SEK 800,000,000 revolving credit facility with fixed interest, a SEK 80,000,000 bank overdraft facility and an outstanding bond loan in the amount of SEK 1,000,000,000 with an interest based on three months STIBOR plus a margin of 3.50 per cent. Changes to the market interest rates are affected by factors outside the Group's control and could affect the Group negatively, *e.g.*, if STIBOR interest rate would increase with one (1.00) per cent, the yearly bond interest cost would increase with SEK 10 million. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

LEGAL AND REGULATORY RISK

License requirements and legislation

Gaming is overall strictly regulated by law and all gaming activities are in principle subject to license requirements. The Group currently operates its businesses under gaming licenses issued in Malta, Denmark, Estonia, Georgia, Great Britain, Germany, Ireland, Italy, Latvia, Lithuania, Spain and Sweden, and is highly dependent on maintaining its licenses and permits to be able to conduct its business. The Group will possibly need to obtain new licenses and/or permits in other jurisdictions in the future. For example, the Dutch Senate adopted a new betting and gaming act for online gaming in February 2019, which enters into effect in 2020 and which will make it possible for the Group's operational subsidiary to obtain a local licence. The Group's operational subsidiary Corona Ltd was fined EUR 300,000 by the Dutch gaming authority, because it had offered games to customers in the Netherlands without holding a local licence. If the Group is unable to obtain or retain necessary licenses and/or permits for specific jurisdictions, it could be time-consuming to renew such existing licenses and permits or to apply for new licenses and permits and result in diversion of management's attention from existing core business. It could also negatively affect the Group's revenue and operations since it could become unlawful for the Group to conduct its business in one or more jurisdictions. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be medium.

The regulation for online gaming is continuously changing in different geographical markets. New stricter laws and regulations and/or stricter interpretations of existing laws and regulations, in some or all of the jurisdictions in which the Group operates, may become more burdensome and costly for the Group to monitor. In addition, certain national rules may limit the Group's operations *e.g.*, restricting or banning gambling advertising. The Swedish regulator has for instance interpreted the bonus prohibition under the new gaming regulation differently than the Group, which led to the Group's operational subsidiary NGG Nordic Ltd being fined SEK 19 million in June 2019 for its alleged breach of the bonus rules. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be medium.

The Group's processing of personal data and the EU General Data Protection Regulation

The new General Data Protection Regulation (“GDPR”) came into effect within the EU on May 25, 2018. In the Group’s business it is primarily employees’ and customers’ personal data that are processed. To comply with GDPR, the Group has implemented new data processing policies and dedicated a significant amount of time to ensure compliance with GDPR as the Company processes a lot of data from customers which needs to be processed in accordance with the legislation. Since the GDPR was recently adopted, there is a risk that the Group’s processing of personal data may be non-compliant with the requirements set out in the GDPR, or that the measures taken to comply with GDPR may be insufficient, which may lead to disputes, civil and/or criminal proceedings, damaged reputations, as well as to limitations in the use of personal data within the Group’s business. For severe violations of the GDPR, the fine can be up to EUR 20,000,000, and EUR 10,000,000 if less severe violations, or in case of an undertaking up to four (4.00) per cent of the total turnover of the preceding fiscal year, and two (2.00) per cent if less severe violations, which for the Group would amount to approximately SEK 217,000,000 and SEK 108,000,000 respectively, for the fiscal year 2018. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be medium.

Anti-money laundering and fraud

The Group handles a large number of financial deposits and payments within the ordinary course of business and is therefore exposed to risks relating to money laundering and fraud. There is a risk that the Group will be obliged to refund the transaction in the event the Group becomes subject to fraudulent activities, such as if a bank or credit card is used by an unauthorised third party. Such refunds, or similar payments, may lead to increased costs for the Group. Further, if the Group fails to detect money laundering activities there is a risk that this will lead to fines and sanctions imposed by authorities, or even licenses being revoked. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be medium.

RISKS FACTORS SPECIFIC AND MATERIAL TO THE BONDS

RISKS RELATED TO THE NATURE OF THE BONDS

Dependency on Group companies

The Company holds no significant assets other than the shares in the Group companies. The Company is reliant on the receipt of dividends and other distributions from its Group companies, and their direct and indirect subsidiaries, sufficient to fulfil its payment obligations under the terms and conditions of the Bonds. The ability of the portfolio companies to make such payments to the Company is subject to, among other things, the profitability of the Group companies and/or funds available therefrom, or legislative restrictions on the upstreaming of

cash. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Refinancing risks

The ability of the Company to obtain refinancing is dependent on its financial position and the conditions in the debt and equity capital markets at the time such refinancing is required or desirable, including the exercise of a voluntary redemption or mandatory repurchase of Bonds. Other than the Bonds, the Company has, as of the date of this Prospectus, a revolving credit facility with an utilised amount of SEK 187.7 million with a maturity date in May 2021 and a currently unutilised bank overdraft facility with a maturity date in January 2020. In the event the Company is unable to refinance the Bonds or other outstanding debt, or if such financing can only be obtained on unfavourable terms, this could have a significant adverse effect on the Company's ability to repay the principal of the Bonds at maturity or upon an early redemption or repurchase of Bonds. The Company considers the probability of the above risk occurring wholly or partially to be low. If the above risk were to occur, the Company considers the potential negative impact to be high.

Unsecured obligations

The Bonds constitute unsecured debt obligations of the Company. If the Company will be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Company for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment *pro rata* with other unsecured creditors. Although the Company considers the probability of the above risk occurring to be low, if such insolvency proceedings were to occur it would have an adverse material effect on the investor in the Bonds and there is a risk that the investor may lose all or part of its investment should there be prioritised or other unsecured creditors with claims on the Company.

RISKS RELATED TO THE ADMISSION OF THE BONDS TO TRADING ON A REGULATED MARKET

Liquidity risks and secondary market

Subject to the final terms and conditions of the Bonds, the Company must use its best efforts to list the initial Bonds on the corporate bond list of Nasdaq Stockholm or any other regulated market within 30 calendar days from the first issue date, and there is an obligation to list the initial Bonds on the corporate bond list of Nasdaq Stockholm or any other regulated market no later than 60 calendar days from the first issue date. Thus, there is a risk, which the Company considers to be of low probability, that the Bonds will not be admitted to trading in time, or at all. If the Company fails to procure listing in time, and such listing failure is not waived by the

Bondholders in accordance with the terms and conditions of the Bonds, each Bondholder have the right to request that all, or some only, of its Bonds shall be repurchased (put option). There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, *e.g.* by causing insolvency or an event of default under the Terms and Conditions and thus adversely affect all Bondholders and not only those that choose to exercise the put option. If the Company fails to procure listing in time, Bondholders holding Bonds on an investment savings account (Sw. *Investeringssparkonto*) will no longer be able to hold the Bonds on such account, thus affecting such Bondholder's tax situation. If the Company fails to procure listing in time, or at all, there is a low risk that a liquid market for trading in the Bonds will not exist. This may result in that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

AUTHORISATIONS AND RESPONSIBILITY FOR THE INFORMATION IN THE PROSPECTUS

The Company has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds Issue and the performance of its obligations relating thereto. The issuance of the Initial Bonds on 26 September 2019 was authorised by resolutions taken by the board of directors of the Company on 6 September 2019.

The board of directors of the Company is responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import. The board of directors of the Company is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law.

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

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

Stockholm on 19 November 2019

BETSSON AB (PUBL)

The board of directors

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 (see below section “Overview of financial reporting and 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.

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Bondholder has a claim against the Company. In order of priority, the Net Proceeds of the Bonds were or shall be (as applicable) used towards (i) settlement of the Tender Offer, (ii) refinancing of the Existing Bonds and (iii) general corporate purposes of the Group, including to facilitate the Company's acquisition strategy and refinance debt. The First Issue Date for the Initial Bonds was 26 September 2019. The Initial Bonds will mature on 26 September 2022.

The aggregate nominal amount of the Bonds is maximum SEK 2,500,000,000 represented by Bonds denominated in SEK with ISIN SE0013110814, each with a Nominal Amount of SEK 1,250,000. The Bonds were issued at a price equal to one hundred (100.00) per cent. of the Nominal Amount. As of the date of this Prospectus, SEK 1,000,000,000 of the bond loan has been issued. The Company may at one or more occasions after the First Issue Date issue Subsequent Bonds in accordance with Clause 2(d) of the Terms and Conditions, until the total amount under the Subsequent Bond Issue(s) and the Bond Issue equals SEK 2,500,000,000. This Prospectus has been prepared for the admission to trading of the Initial Bonds. If Subsequent Bonds are, issued a new prospectus will be prepared for the admission to trading of such Subsequent Bonds, unless there is an applicable exemption pursuant to the Prospectus Regulation whereby such Subsequent Bonds may be admitted to trading without a new prospectus been prepared.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB (P.O. Box 191, SE-101 23 Stockholm, Sweden). This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear's book-entry system. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Company and without any preference among them.

The Company shall redeem all outstanding Bonds at one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Maturity Date, unless

previously redeemed or repurchased and cancelled in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

The Company may choose to redeem all, but not only some, of the outstanding Bonds in full on any Business Day falling on or after the date falling three (3) months prior to the Final Maturity Date, provided that such redemption is financed in full or in part by way of the Company issuing Market Loan(s), at an amount per Bond equal to one hundred (100.00) per cent. of the Nominal Amount, together with accrued but unpaid Interest in accordance with Clause 9.3 (*Voluntary total redemption*) of the Terms and Conditions.

Upon a Change of Control Event or Listing Failure Event, each Bondholder has a right of prepayment (put option) of its Bonds at a price of one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid interest of the Nominal Amount together with accrued but unpaid Interest in accordance with Clause 9.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) of the Terms and Conditions.

Payment of the Nominal Amount and/or interest will be made to the person who is a Bondholder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

Each Initial Bond bears interest from, but excluding, the First Issue Date up to, and including, the relevant Redemption Date at a rate of STIBOR (3 months) plus four (4.00) per cent. *per annum*.

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 SEK and for a period comparable to the relevant Interest Period, (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Date, (c) if no rate is available for the relevant Interest Period pursuant to item (a) and/or (b) above, 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 (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

Interest is paid quarterly in arrears on each Interest Payment Date and is 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. The Interest Payment Dates are 26 March, 26 June, 26 September and 26 December 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 Initial Bonds shall be 27 December 2019 (following from an application of the Business Day Convention) and the last Interest Payment Date shall be the relevant Redemption Date. The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment, unless the limitation period is duly interrupted.

Intertrust (Sweden) AB, reg. no. 556625-5476, is initially acting as agent for the Bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Pursuant to the Agency Agreement entered into in connection with the First Issue Date between the Company and the Agent, the Agent has undertaken to represent the Bondholders in accordance with the Terms and Conditions. The Terms and Conditions are available for inspection on the Company's web page www.betssonab.com. The Company has undertaken to pay certain fees to the Agent. The Agency Agreement is governed by Swedish law.

Even without a separate authorisation from the Bondholders and without having to obtain any Bondholder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Bondholders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request of the Agent.

Each of the Company and the Bondholder(s) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount, may request that a Bondholders' Meeting is convened (see further Clause 16 (*Bondholders' Meeting*) of the Terms and Conditions) or request a Written Procedure (see further Clause 17 (*Written Procedure*) of the Terms and Conditions). Such Bondholders' Meeting or Written Procedure may, upon votes representing a relevant majority of Bondholders eligible for voting, cause resolutions to be validly passed and binding on all Bondholders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall *firstly* be applied towards payment of (A) all fees, costs, expenses and indemnities payable by the Company to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (B) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent, (C) any costs incurred by the Agent for external experts that have not been reimbursed by the Company in accordance with Clause 19.2(e) in the Terms

and Conditions, and (D) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure, *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), *thirdly* in or towards payment pro rata of any unpaid principal under the Bonds, and *fourthly* in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8(d) in the Terms and Conditions on delayed payments of Interest and repayments of principal under the Bonds.

The Bonds are freely transferrable and trading can occur from the First Issue Date. Bondholders may, however, 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) for business). Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for admission to trading of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 800. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 21 November 2019. The fact that an application regarding admission to trading of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 150,000.

The Terms and Conditions include an undertaking by the Company to ensure that the Initial Bonds are admitted to trading on the corporate bond list on Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within one hundred and twenty (120) calendar days from the First Issue Date. Further, the Company intends to complete such admission to trading within thirty (30) days after the First Issue Date and, if such admission to trading has not been completed within sixty (60) days after the First Issue Date, 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 one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest.

THE COMPANY AND ITS OPERATIONS

Introduction

The Company's legal name is Betsson AB (publ) and its commercial name is Betsson. The Company is a public limited liability company (Sw. *publikt aktiebolag*) registered in Sweden with reg. no. 556090-4251, having its registered office at Regeringsgatan 28, SE-111 53 Stockholm, Sweden and its registered seat is located in Stockholm, Sweden. The Company was formed on 2 December 1963 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 13 December 1963. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The Company's legal identifier code (LEI code) is 549300W61XW8OFGBG077. The Company's telephone number is +46 (0)8 506 403 00 and its website is www.betssonab.com. The information on the Company's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

Share capital, shares, ownership structure and governance

According to its articles of association, the Company's share capital shall be no less than SEK 40,000,000 and not more than SEK 160,000,000 divided into no less than 140,000,000 shares and not more than 560,000,000 shares. The Company's current share capital amounts to SEK 96,328,825 divided among 144,493,238 shares, of which 16,260,000 shares are shares of series A, 122,155,730 shares are shares of series B and 6,077,508 shares are shares of series C. The shares of series B and C entitle the holder to one (1) vote per share and the shares of series A entitle the holder to ten (10) votes per share. The shares are denominated in SEK.

The Company is the parent company in the Group and has fifty-eight (58) direct and indirect subsidiaries in sixteen (16) different countries, of which all are wholly-owned. A significant portion of the business is carried out through subsidiaries. In fact, the majority of the revenues of the Group come from its operational subsidiaries. Consequently, the Company is dependent upon such subsidiaries.

As of 31 August 2019, the five (5) largest shareholders of the Company were (i) Per Hamberg with family and companies with 3.68 per cent. of the share capital and 17.61 per cent. of the votes, (ii) Danske Bank International S.A. with 3.05 per cent. of the share capital and 13.06 per cent. of the votes, (iii) the Knutsson family and companies with 4.89 per cent. of the share capital and 10.81 per cent. of the votes, (iv) the Lundström family and companies with 3.12 per cent. of the share capital and 9.46 per cent. of the votes, and (v) Berit Anita Lindwall with 1.21 per cent. of the share capital and 5.81 per cent. of the votes.

To ensure that the control over the Company is not misused, the Company complies with the Swedish Companies Act and the Swedish Code of Corporate Governance. The Company complies with Swedish Code of Corporate Governance without any deviations from the rules.

In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

Summary of the Company's history and development

1963	AB Restaurang Rouletter is founded by Bill Lindwall and Rolf Lundström. Business primarily in southern and central Sweden.
1972	The name Cherry and the cherry symbol were registered.
1984	Cherry acquires a number of Swedish commercial gaming companies and finances the acquisitions with a new share issue. The foundation for a new corporation is created.
1986	Cherry operates slot machines and casino gaming in a number of countries in Eastern Europe.
1994	Cherry acquires Casino Invest in Umeå, thereby strengthening its position in Northern Sweden and Gothenburg.
1996	The company's B share listed on the SBI list in Sweden (today's NGM Equity).
1998	Pontus Lindwall appointed CEO. Cherry acquires thirty-five (35) per cent. of Net Entertainment AB.
1999	Cherry acquires First Casino. Launch of maritime operations in the Mediterranean. Signing of a partnership agreement with AB Svenska Spel concerning token machines.
2000	Cherry acquires Kinnevik's shares in Net Entertainment. The parent company's B share listed on Stockholm Stock Exchange.
2002	Pontus Lindwall assumes the position as Cherry's CEO. Net Entertainment sold its first Casino module to Expekt.com. The Jack Vegas partnership agreement with Svenska Spel expires as planned.
2003	Cherry acquires a stake in the British sports betting company Betsson.com. Net Entertainment delivers Casino modules to several Internet gaming companies. Cherry signs an agreement with Danska Shell for the establishment of gaming environments at their gas stations.
2004	Net Entertainment delivers a large number of Casino modules to international customers. Net Entertainment acquires a gaming licence in Malta. Betsson.com, the jointly-owned betting exchange, experiences strong growth and a commercial breakthrough.
2005	Cherry acquires outstanding shares in betsson.com. Betsson poker shows strong growth. Cherry announces that the company should be split up in three separate companies and that Cherry Casino and Net Entertainment should be distributed to the shareholders.
2007	Betsson distributes Net Entertainment to the shareholders.
2008	Betsson reaches SEK 1 billion in revenue.
2009	One of Betsson's subsidiaries launched mobile sportsbook. A Betsson brand is awarded 'most responsible gaming operator' at EGR Awards.
2010	Betsson launches Betsson Business Solutions to further develop its B2B-business. A development office is opened in Manila. Betsson Malta Ltd sells its Turkish customer base.
2011	Betsson acquires a licence in Italy and launches StarCasino. A Joint Venture was established in China. Betsson acquires fast-growing competitor Betsafe.

- 2012 Betsson acquires Nordic Gaming Group (Nordicbet and Triobet). The company acquires gaming licences in Denmark and Estonia. Betsson was awarded "Online Sportsbook Operator of the Year" by the International Gaming Awards.
- 2013 Betsson acquires the Automaten brands: SverigeAutomaten, NorgesAutomaten and DanmarksAutomaten, which moves from being part of the business area B2B to being B2C brands. Betsson.com is migrated to the Techsson platform.
- 2014 Betsson acquires the Dutch brands Oranje Casino and Kroon Casino. Betsson wins awards in the categories "Best Sport Betting App" (Gaming App Awards) and "Excellence in Customer Service" (Wig Awards and EGR Awards) and was a finalist in the category "Most Responsible Gaming Operator" at the EGR Awards in London.
- 2015 Betsson is upgraded to the Nasdaq Stockholm, Large Cap List. Betsson acquires a gaming licence in the UK. Betsson acquires the licenced gaming operator Europe-bet based in Georgia.
- 2016 Ulrik Bengtsson stepped up as CEO and President for Betsson AB, while remaining as CEO for BML Group. The Group acquires gaming licenses in Ireland and Latvia. Betsson acquires a locally licensed gaming operator in Lithuania, TonyBet. The horse racing operator RaceBets with licences in Ireland, Germany and the UK, is acquired.
- 2017 Betsson acquires the licenced British gaming operator NetPlay plc, with the brands Supercasino, Jackpot247 and Vernons. Premier Casino with local licenses in Spain is acquired and rebranded to StarCasino. Triobet and TonyCasino are rebranded to Betsafe in Estonia, Latvia and Lithuania. Pontus Lindwall is appointed CEO of Betsson AB. Jesper Svensson was appointed CEO for the Group after serving as acting CEO of Betsson's operational subsidiaries.
- 2018 Betsson Group received a license to conduct online gaming in Sweden. The licence, effective from January 2019, comprises the brands Betsson, NordicBet, BetSafe and SverigeAutomaten.

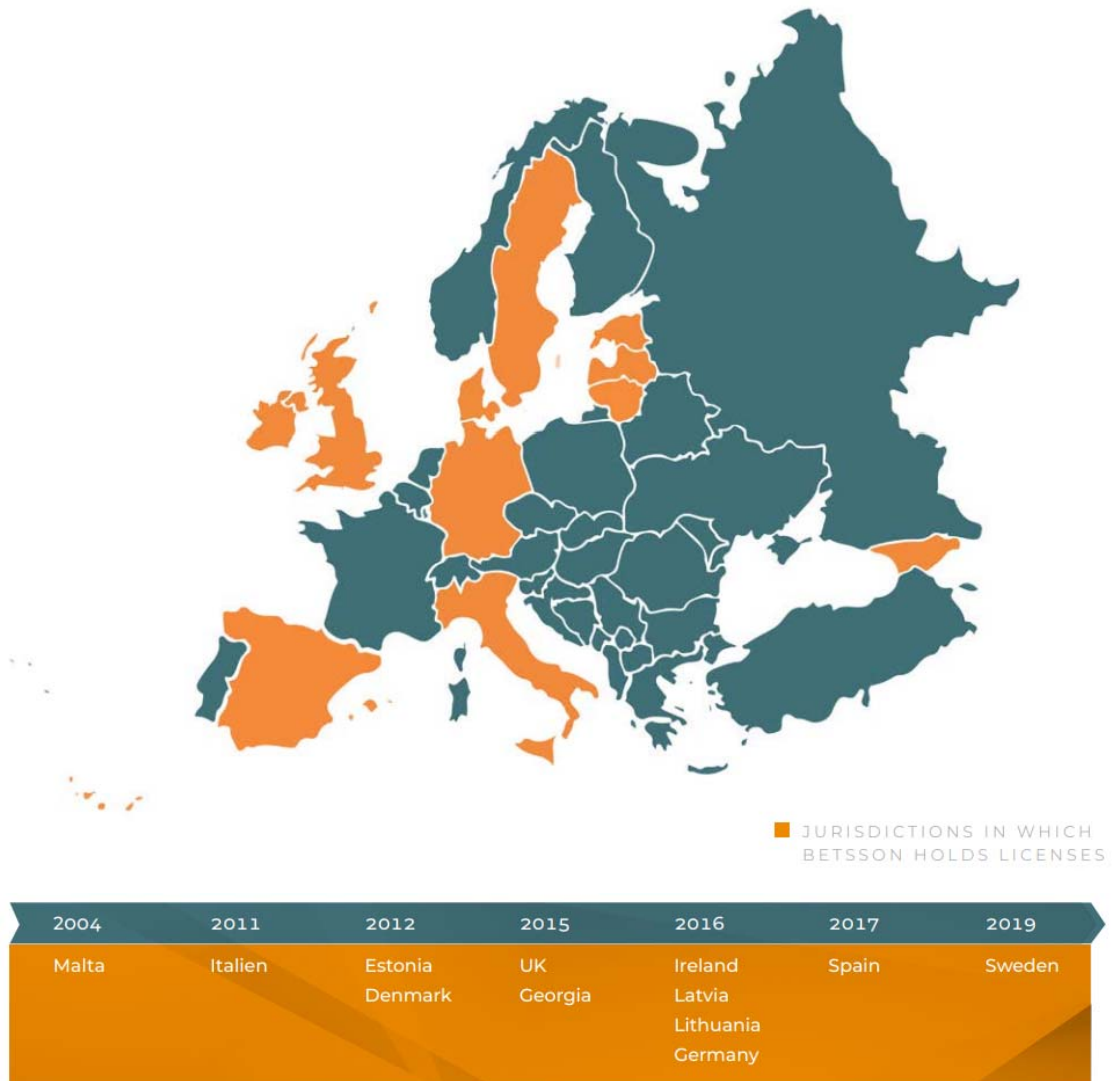
Business and operations

The main operations of the Company consist of the ownership and administration of shareholdings in its subsidiaries which, on their own or through partnerships, operates online gaming sites. The Company determines the vision, mission and ambition of business activities in the operational subsidiaries and is responsible within the Group for setting the strategic direction and objectives for the operational subsidiaries, corporate structure and governance, risk management and compliance (including monitoring the operational subsidiaries), acquisitions and divestments and financial reporting. The Group's operational subsidiaries are responsible for technology and platforms, gaming sites and content, brands and marketing, customer support, responsible gaming and compliance with gaming regulations and other rules relevant to the business.

The Group's business activities are carried out by the operational management group and the operational headquarters are located in Malta. The operational management group is responsible for running gaming sites under various brands that provide casino, sportsbook and other games via gaming licences in twelve countries in Europe and Central Asia. The Group operated in 2018 under European gaming licences in Malta and local gaming licences in Denmark, Estonia, Georgia, Germany, Ireland, Italy, Latvia, Lithuania, Spain and the United

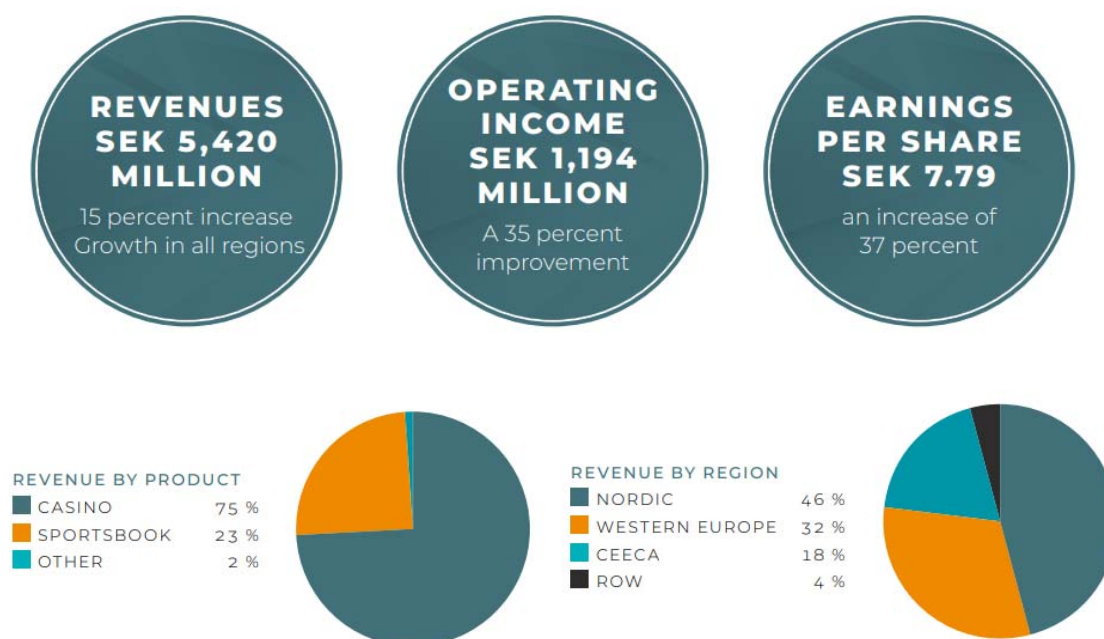
Kingdom. With effect from January 2019, operations in Sweden are conducted under a Swedish gaming licence.

The brand portfolio includes global brands operating in many different markets, regional brands and brands targeting a specific country or segment. Some brands offer the complete portfolio of products and others are focused on niche products only. The portfolio of products comprises around 2,700 casino games including slots, table games, live casino and other games from about 50 different suppliers, and also a number of proprietary games. More than 2,000 are accessible on mobile devices. The Group has approximately 1,500 employees of more than 55 different nationalities in offices in ten countries.



The Group's revenue for the fiscal year 2018 totalled SEK 5,419.8 million, equivalent to an increase of fifteen (15) per cent. compared to 2017. Gross profit was SEK 3,860.0 million, equivalent to an increase of thirteen (13) per cent compared to 2017. Operating profit rose by thirty-five (35) per cent. to SEK 1,193.8 million, and operating margin was twenty-two (22) per cent. The improvement in profitability is due both to growth in all regions with a consequent rise in revenue and to efficiency improvements resulting in lower expenses. Profit before tax was SEK 1,152.4 million (SEK 842.9 million in 2017) and net profit was SEK 1,078.1 million (SEK 786.5 million in 2017), equivalent to SEK 7.79 per share (SEK 5.68 in 2017).

Casino is Betsson's largest product and accounted for 75.2 per cent. of revenue for 2018 (72.9 per cent. in 2017), followed by sportsbook with 22.9 per cent. (24.2 per cent. in 2017) and other products (including poker) which accounted for 1.9 per cent. (2.9 per cent. in 2017) of revenue. At the end of 2018, there were 14,009,690 registered customers (12,993,044 in 2017), an increase of eight (8) per cent. There were 668,199 active customers in the fourth quarter (615,449 in 2017), an increase of nine (9) per cent.



The Group's strategy going forward is to continue to grow the business of the Group organically and through acquisitions, both within and outside the EU. The Group's vision is *Deliver the best customer experience in the gaming industry*. The Group's mission is *Be a long-term, leading online gaming company*. The Group's ambition is *Outgrow the market*.

The Company is a member of the European Gaming and Betting Association (EGBA), European Sports Security Association (ESSA), G4 (Global Gambling Guidance Group),

Remote Gaming Association (RGA) as well as the Swedish Trade Association for Online Gambling (BOS) and The Swedish Gambling Association (SPER).

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Legal and arbitration proceedings

During the previous twelve months, the Company has not been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

Material agreements

No Group company is party to any material agreement outside the ordinary course of business which could result in such company being under an obligation or entitlement that is material to the Company's ability to meet its obligations to the Bondholders.

Credit rating

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial performance or the financial position of the Group since the end of the last financial period for which interim financial information has been published.

There has been no recent event particular to the Company which are to a material extent relevant to an evaluation of the Company's solvency.

Shareholders' agreements

To the Company's knowledge, there are no shareholders' agreements or other agreements between the Company's shareholders which could result in a change of control of the Company.

Benchmark regulation

Amounts payable under the Bonds are calculated by reference to STIBOR, which is provided by the Swedish Banker's Association and/or its subsidiaries. As of the date of this Prospectus, the Swedish Banker's Association does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("BMR"). The Swedish Banker's Association and/or its subsidiaries are not currently required to obtain

authorisation or registration in accordance with the transitional provisions in Article 51 of the BMR.

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

The business address for all members of the board of directors and the senior management is: Betsson AB (publ), Regeringsgatan 28, SE-111 53 Stockholm, Sweden. The board of directors currently consists of seven (7) members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors

Patrick Svensk

Born 1966. Chairman of the board of directors since 2005.

Education: MBA from the Stockholm School of Economics.

Background: Svensk has long experience from leading positions in listed companies, including SVP at MTG as well as CEO and President at MTG Studios/Nice Entertainment Group, Zodiak Television, Kanal 5 and TV3 Sweden.

Other assignments: CEO and President, Bright Group, member of the board of directors in Svensk Media Group AB and Patos Konsult AB.

Shareholdings: 10,000 shares of series B. Svensk is independent in relation to the Company and its management as well as to major shareholders.

Fredrik Carlsson

Born 1970. Member of the board of directors since 2017.

Education: MBA from Gothenburg School of Economics and MBA from Nijenrode University in the Netherlands.

Background: Carlsson has long experience from leading positions in international and Swedish companies, including Head of Research at SEB, Head of Equities at Andra AP-fonden, VP for European Telecom, Media and Entertainment Groups at Bank of America Merrill Lynch in London and industry specialist in telecom and technology at HSBC Investment Bank in London.

Other assignments: CEO of Sönerna Carlsson Family Office AB, chairman of the board of directors in Sten A. Olsson's Pension Foundation, Svolder AB and Solid Insurance Company and member of the board of directors of Resurs Holding AB (publ) and Novobis AB.

Shareholdings: 15,300 shares of series B (including holdings via companies and related parties). Carlsson is independent in relation to the Company and its management. Carlsson is not independent in relation to major shareholders.

Mathias Hedlund

Born 1970. Member of the board of directors since 2018.

Education: MBA from Stockholm University.

Background: Hedlund has long experience from leading positions in international and fast-growing online companies in several market segments, such as COO of Klarna, vice CEO of Eniro and business area manager online and Casino Cosmopol in Svenska Spel.

Other assignments: Chairman of the board of directors in Euroflorist Intressenter AB (publ) and CEO at Etraveli Group.

Shareholdings: Hedlund holds no shares. Hedlund is independent in relation to the Company and its management as well as to major shareholders.

Eva Leach

Born 1980. Member of the board of directors since 2019.

Education: BA in Business from Halmstad College and BA (Hons) from Lincoln University in UK.

Background: Leach has long experience from digital marketing. Leach has had leading positions, such as MD online sales at Lowcosttravelgroup, Head of Marketing at Holiday Autos and Senior Ecommerce Service Manager at Hilton Worldwide.

Other assignments: VP User Acquisition at Lifesum AB.

Shareholdings: Leach holds no shares. Leach is independent in relation to the Company and its management as well as to major shareholders.

Johan Lundberg

Born 1977. Member of the board of directors since 2018.

Education: Masters from Stockholm University and MBA from Stockholm School of Economics.

Background: Lundberg is a founding partner of NFT Ventures, one of Europe's leading FinTech investors, executive positions in MasterCard and other companies.

Other assignments: Member of the board of directors in Ölands Bank AB and NFT Ventures AB, as well as associated companies in the NFT Ventures Group.

Shareholdings: 2,000 shares of series B. Lundberg is independent in relation to the Company and its management as well as to major shareholders.

Jan Nord

Born 1955. Member of the board of directors since 2015.

Education: Studied at the University of Stockholm.

Background: Nord is a creative director with focus on brand strategy and has many years of international experience with the overall creative responsibility at H&M and Esprit during the last fifteen years. Before that Nord ran the advertising agency Nord & Co.

Other assignments: Member of the board of directors in Svenska Brassierier AB.

Shareholdings: Nord holds no shares. Nord is independent in relation to the Company and its management as well as to major shareholders.

Kicki Wallje-Lund

Born 1953. Member of the board of directors since 2006.

Education: High school.

Background: Wallje-Lund has long experience from business and operational developments in various international companies, primarily within bank and finance. Wallje-Lund has held leading positions at NCR, Digital Equipment, AT&T, Philips, ICL and Unisys.

Other assignments: Chairman of the board of directors in THQ Nordic AB and member of the board of directors in C-RAD AB and Wellnet AB.

Shareholdings: 2,850 shares of series B. Wallje-Lund is independent in relation to the Company and its management as well as to major shareholders.

Senior management**Pontus Lindwall**

Born 1965. CEO and employed in the Group since 1991.

Education: Master of Science, Engineering from the Royal Institute of Technology (KTH), Stockholm.

Background: Lindwall has long experience from the gaming industry, both offline and online gaming, such as founder of Net Entertainment and CEO and President of Cherry group.

Other assignments: Member of the board of directors in Net Entertainment NE AB (publ), Nya Solporten Fastighets AB, Mostphotos AB and several companies within the Betsson Group.

Shareholdings: 30,000 shares of series A, 1,000,000 shares of series B and 110,000 warrants. Lindwall is not independent in relation to the Company and its management. Lindwall is not independent in relation to major shareholders.

Martin Öhman

Born 1976. CFO and employed in the Group since 2019.

Education: MBA in accounting and finance from School of Business, Economics and Statistics at Umeå University.

Background: Öhman has long experience from leading positions and extensive experience from M&A. Most recently Öhman has held the position as CFO of Upplands Motor. Prior to that, Öhman held the position as Finance Director within the Handicare Group and before that as CFO at Bactiguard.

Other assignments: No other assignments.

Shareholdings: 90,000 warrants. Öhman is independent in relation to the Company and its management as well as to major shareholders.

Amandus Jabin

Born 1977. Vice President Global Tax and employed in the Group since 2012.

Education: Law and management at Uppsala University and Adelaide University, Australia.

Background: Jabin has more than 13 years' of experience within international tax and legal. Before joining Betsson Jabin worked as a consultant at PWC. Jabin has also held various specialist and management positions at the Swedish Tax Agency.

Other assignments: No other assignments.

Shareholdings: 129,000 warrants. Jabin is independent in relation to the Company and its management as well as to major shareholders.

Triin Toomemets-Krasnitski

Born 1977. Vice President Legal and employed in the Group since 2012.

Education: Bachelor's degree in Law from the University of Tartu and an LL.M in International Business Law from the Central European University.

Background: General Counsel at Nordic Gaming Group, which was acquired by Betsson in 2012. Before that she worked as an attorney at the law firm Sorainen.

Other assignments: No other assignments.

Shareholdings: 2,000 shares of series B and 64,000 share options. Triin is independent in relation to the Company and its management as well as to major shareholders.

Fredric Lundén

Born 1968. Vice President Governance, Risk & Compliance and employed in the Group since 2017.

Education: MSc Laws (LLM) from the University of Stockholm. Judge of Appeal at Svea Hovrätt.

Background: Lundén has held several positions within SEB, such as Head of Compliance, Compliance Specialist and Legal Counsel. He has worked at the Swedish Financial Supervisory Authority and as a judge in the Swedish judiciary Svea Hovrätt (Svea Court of Appeal).

Other assignments: No other assignments.

Shareholdings: 35,000 warrants. Lundén is independent in relation to the Company and its management as well as to major shareholders.

Auditors

PricewaterhouseCoopers AB, with Nicklas Renström as the auditor-in-charge from 8 May 2015, has been the Company's auditor for the entire period covered by the historical financial information incorporated into this Prospectus by reference. Nicklas Renström is a member of FAR. The business address to PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97 Stockholm, Sweden.

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

Conflicts of interests

Pontus Lindwall is an indirect shareholder (through a company) in Cherry group, a competitor to the Group. He is also a member of the board of directors of Net Entertainment NE AB (publ), a supplier to the Group.

Other than stated above and although several members of the board of directors and the senior management have a financial interest in the Company through their direct and indirect holdings of shares and other financial instruments in the Company, none of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Other than stated above, it cannot be excluded that other conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

Interest of natural and legal persons involved in the Bond Issue

The joint bookrunners and/or its affiliates may have engaged in, and may in the future engage in, investment banking and/or other services for the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the joint bookrunners and/or 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.

Financial interests

Several members of the board of directors and members of the senior management have financial interests in the Group through their direct and/or indirect holdings of shares in the Company.

OVERVIEW OF FINANCIAL REPORTING AND DOCUMENTS INCORPORATED BY REFERENCE

The accounting principles applied in the preparation of the Company's consolidated financial statements presented below are set out in the following and have been consistently applied during the presented period.

The Company's consolidated annual reports for the financial years ended 31 December 2017 and 31 December 2018, respectively, have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups, and International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The Company's consolidated annual reports for the financial years 2017 and 2018 have been audited by the Company's auditor. The Company's consolidated annual reports for the financial years 2017 and 2018 and the auditor's report for 2017 and 2018 have been incorporated in this Prospectus 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.

Reference	Document	Page(s) in the relevant report
Financial information regarding the Company and its business for the financial year ended 31 December 2017	Betsson's consolidated annual report for the financial year ended 31 December 2017	the consolidated income statement (page 29), the consolidated balance sheet (page 30), the consolidated cash flow statement (page 31), the consolidated changes in equity (page 32) and notes (page 37-56)
Auditor's report for the financial year ended 31 December 2017	Betsson's consolidated annual report for the financial year ended 31 December 2017	Page 58-61
Financial information regarding the Company and its business for the financial year ended 31 December 2018	Betsson's consolidated annual report for the financial year ended 31 December 2018	the consolidated income statement (page 38), the consolidated balance sheet (page 40), the consolidated cash flow statement (page 41), the consolidated changes in equity (page 42) and notes (page 48-73)

Auditor's report for the
financial year ended 31
December 2018

Betssons's consolidated
annual report for the
financial year ended
31 December 2018

Page 75-77

Investors should read all information which is incorporated in this Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in this Prospectus. The Company's consolidated annual reports and the auditor's reports mentioned above can be obtained in paper format at the Company's head office and are also available at the Company's web page, www.betssonab.com.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be obtained from the Company in paper format upon request during the validity period of this Prospectus at the Company's head office.

- (i) The certificate of incorporation of the Company
- (ii) The articles of association of the Company
- (iii) Consolidated annual report for the financial year ended 31 December 2017
- (iv) Consolidated annual report for the financial year ended 31 December 2018
- (v) The Company's subsidiaries audited annual reports for the financial years 2017 and 2018 (where applicable)
- (vi) The Terms and Conditions

Copies of the documents (ii)-(iv) and (vi) above can also be inspected electronically on the Company's web page www.betssonab.com.



TERMS AND CONDITIONS FOR BETSSON AB (PUBL)
MAXIMUM SEK 2,500,000,000
SENIOR UNSECURED FLOATING RATE
BONDS 2019/2022

ISIN: SE0013110814

LEI: 549300W61XW8OFGBG077

First Issue Date: 26 September 2019

PRIVACY NOTICE

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

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

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bond and payments under the Bond;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

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

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

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

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

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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Accounting Principles**" means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

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

"**Advance Purchase Agreement**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts (however, not exceeding 90 days), or (b) any other trade credit incurred in the ordinary course of business.

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

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

"**Agent**" means the Bondholders' agent under these Terms and Conditions from time to time, initially Intertrust (Sweden) AB, reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden.

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and 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. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 16 (*Bondholders' Meeting*).

"**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.

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby (a) the shares of the Issuer cease to be listed on Nasdaq Stockholm or any Regulated Market replacing Nasdaq Stockholm, or (b) any person or group of persons acting in concert gains control over the Issuer and where "control" means (i) controlling, directly or indirectly, more than fifty (50.00) per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and where "acting in concert" means, a group of persons, who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

"**Compliance Certificate**" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying 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. The Compliance Certificate provided in connection with a Restricted Payment and/or incurrence of Financial Indebtedness which requires the fulfilment of the Incurrence Test shall include calculations and figures in respect of the applicable Incurrence Test.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-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.

"EBITDA" means, in respect of the Relevant 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 exceptional, one off, non-recurring or extraordinary items, provided that such do not in aggregate exceed five (5.00) per cent. of EBITDA during the applicable Relevant Period;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any member of the Group;
- (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) 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;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Event of Default" means an event or circumstance specified in any of the Clauses 13.1 (*Non-payment*) to and including Clause 13.9 (*Continuation of business*).

"Existing Bonds" means the Issuer's outstanding SEK 1,000,000,000 senior unsecured callable floating rate bonds 2016/2019 with ISIN SE0009320617.

"Final Maturity Date" means 26 September 2022.

"Finance Charges" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, 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, capitalised interest in respect of any loan owing to any member of the Group 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 these Terms and Conditions, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"Finance Lease" means a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability.

"Financial Indebtedness" means any financial indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (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 items (a)–(f).

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 10.1 (*Information from the Issuer*) (including when necessary, financial statements published before the First Issue Date).

"First Issue Date" means 26 September 2019.

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

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

"Incurrence Test" means the test of the financial incurrence covenants as set out in Clause 11.1 (*Incurrence Test*).

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

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

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

"Interest Payment Date" means 26 March, 26 June, 26 September and 26 December 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 shall be 27 December 2019 (following from an application of the Business Day Convention) and the last Interest Payment Date shall be the relevant Redemption Date.

"Interest Period" means (a) 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 (b) 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 STIBOR (3 months) plus the Margin *per annum* (provided that if STIBOR (3 months) plus the Margin is below zero, the Interest Rate shall be deemed to be zero).

"Issue Date" means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions.

"Issuer" means Betsson AB (publ), a public limited liability company incorporated under the laws of Sweden, reg. no. 556090-4251, Regeringsgatan 28, SE-111-53 Stockholm, Sweden.

"Issuing Agent" means Swedbank AB (publ), reg. no. 502017-7753, SE-105 34 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

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

"Listing Failure Event" means, (a) that the Initial Bonds are not admitted to trading on the corporate bond list on Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) calendar days from the First Issue Date or (b) that any Subsequent Bonds are not admitted to trading on the corporate bond list on Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) calendar days from the relevant Issue Date (although the intention is to have the Initial Bonds and any Subsequent Bonds admitted to trading within thirty (30) calendar days from the relevant Issue Date).

"Margin" means four (4.00) per cent. *per annum*.

"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, securities issued under 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 Nasdaq Stockholm 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 Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

"Nasdaq Stockholm" means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

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

"Net Interest Bearing Debt" means the aggregate interest bearing debt (including also debt instruments with payment in kind interest, but for the avoidance of doubt excluding loans between members of the Group) less (a) cash and cash equivalent investments (such cash equivalent investments to be calculated in accordance with the applicable Accounting Principles of the Group from time to time, but for the avoidance of doubt excluding any customer deposits) of the Group and (b) Payment Provider Balances.

"Net Proceeds" means the proceeds from the issuance of the Initial Bonds or any Subsequent Bonds after deduction has been made for the Transaction Costs payable by the Issuer in connection with issuance of the Bonds.

"Payment Provider Balances" means ninety (90.00) per cent. of the current receivables with payment providers regarding unsettled client payments.

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred under the Existing Bonds;
- (c) incurred by the Issuer under (i) an up to SEK 800,000,000 revolving facility agreement, (ii) an up to SEK 80,000,000 term loan and revolving facility agreement and/or (iii) any replacement or refinancing of (i) and/or (ii), including any further replacements or refinancing thereof, provided that the Financial Indebtedness incurred under any such replacement or refinancing does not exceed the amount being replaced or refinanced (or its equivalent in any other currency or currencies);
- (d) of the Group incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business;
- (e) taken up from a Group Company;
- (f) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (g) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (h) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (i) incurred under Advance Purchase Agreements;
- (j) pension liabilities of the Group arising in the ordinary course of the Group's business;
- (k) of any person acquired by a member of the Group after the First Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a

period of six (6) months following the date of acquisition, provided that the Incurrence Test is met (calculated on a *pro forma* basis including the Financial Indebtedness) at the date of completion of the relevant acquisition;

- (l) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of an issue of Subsequent Bonds by the Issuer under these Terms and Conditions, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents;
- (m) incurred for the purpose of refinancing the Bonds in full; and
- (n) any other Financial Indebtedness not covered under items (a) to (m) above in an aggregate maximum amount of EUR 2,500,000 (or its equivalent in other currencies).

"Permitted Security" means any security:

- (a) 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);
- (b) provided in relation to any Finance Lease set out in item (d) of the definition of Permitted Debt;
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (d) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (e) any security over or affecting either any asset acquired by a member of the Group after the First Issue Date or any asset of any company which becomes a member of the Group after the First Issue Date if (i) the security was not created in contemplation of the acquisition of that asset by a member of the Group, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group and (iii) the security is removed or discharged within six (6) months of the date of acquisition of such asset;
- (f) agreed to be provided for the benefit of the financing provider(s) in relation to a refinancing of the Existing Bonds or the Bonds in full; and

- (g) any other security not covered under items (a) to (f) above securing an aggregate maximum amount of EUR 10,000,000 (or its equivalent in other currencies).

"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.

"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 14 (*Distribution of Proceeds*) or (iv) 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*).

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

"Relevant Period" means each period of twelve (12) consecutive calendar months ending on a Test Date.

"Restricted Payment" has the meaning given to that term in Clause 12.3(a).

"Securities Account" means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which (a) an owner of such security is directly registered or (b) 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.

"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 SEK and for a period comparable to the relevant Interest Period; or

- (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to item (a) and/or (b) above, 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
- (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

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

"**Subsidiary**" means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

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

"**Tender Offer**" means the offer from the Issuer to repurchase the Existing Bonds from the holders of Existing Bonds at a fixed cash price equal to one hundred point seven (100.70) per cent. of the nominal amount per Existing Bond, together with accrued but unpaid interest.

"**Test Date**" has the meaning given to that term in Clause 11.2 (*Testing*).

"**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, as applicable, (a) the issuance of the Initial Bonds and any Subsequent Bonds, (b) the admission to trading of the Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm or any other Regulated Market and (c) the Tender Offer and the redemption of the Existing Bonds."

"Written Procedure" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*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, but if not having the force of law with which it is market practice to comply with) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) a provision of law is a reference to that provision as amended or re-enacted; and
 - (v) a time of day is a reference to Stockholm time.
- (b) an Event of Default is continuing if it has not been remedied or waived;
- (c) 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 (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (d) 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.
- (e) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

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 nominal amount of each Bond is SEK 1,250,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 1,000,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- (d) Provided that (i) no Event of Default is continuing or would result from such issue and (ii) the Incurrence Test is met (tested *pro forma* including such Financial Indebtedness), the Issuer may, on one or more occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents and, for the avoidance of doubt, the ISIN (to the extent a temporary ISIN is not required prior to listing thereof), the Interest Rate, the currency, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue 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 2,500,000,000.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations mandatorily preferred by law, and without any preference among them.
- (f) Subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (g) 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

- (a) In order of priority, the Net Proceeds of the issuance of the Initial Bonds shall be used towards (i) settlement of the Tender Offer, (ii) refinancing of the Existing Bonds and (iii) general corporate purposes of the Group, including to facilitate the Issuer's acquisition strategy and refinance debt.
- (b) The Net Proceeds from the issuance of any Subsequent Bonds shall be used towards general corporate purposes of the Group, including to facilitate the Issuer's acquisition strategy and refinance debt.

4. CONDITIONS PRECEDENT

- (a) The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
 - (i) copy of a corporate resolution and/or authorisation by the Issuer approving the issue of the Bonds, the terms of the Finance Documents and resolving to enter into such documents and any other documents necessary in connection therewith;
 - (ii) these Terms and Conditions and the Agency Agreement duly executed by the Issuer; and
 - (iii) copies of the constitutional documents of the Issuer.
- (b) The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the relevant Issue Date (or such later time as agreed by the Agent), in respect of Subsequent Bonds, the following.
 - (i) copy of a corporate resolution and/or authorisation by the Issuer approving the issue of Subsequent Bonds and resolving to enter into such documents and any other documents necessary in connection therewith;
 - (ii) copies of the constitutional documents of the Issuer; and
 - (iii) a Compliance Certificate from the Issuer.
- (c) The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions precedent in Clause 4(a) or (b), as the case may be, have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent prior to the relevant Issue Date, or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- (d) Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(c), the Issuing Agent shall settle the issuance of the Initial Bonds and

pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(c), the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

- (e) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(a) or (b), as the case may, 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 or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 4 from a legal or commercial perspective of the Bondholders.

5. BONDS IN BOOK-ENTRY FORM

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and 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 Central Securities Depositories and Financial Instruments Accounts Act.
- (c) The Issuer and the Agent shall at all times 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 under Clause 16 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 17 (*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.

- (f) The Issuer and the Agent may use the information referred to in Clauses 5(c) through 5(e) only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

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 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 Clauses 6(a) and (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.

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, requested by the Bondholders pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment 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 the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the 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 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.

8. INTEREST

- (a) Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount 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 applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such 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 under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. 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 some only, 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

- (a) 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 by the Issuer, however, provided that no Bonds may be cancelled by the Issuer, except in connection with a full redemption of the Bonds.
- (b) Notwithstanding Clause 9.2(a) above, Bonds held by the Issuer may be cancelled (i) in connection with a full redemption of the Bonds in order to cater for such full redemption of the Bonds, and (ii) if the Issuer has purchased all Bonds and the Issuer cancels all, but not some only, of the Bonds.

9.3 Voluntary total redemption

- (a) The Issuer may redeem all, but not some only, of the outstanding Bonds in full on any Business Day falling on or after the date falling three (3) months prior to the Final Maturity Date, provided that such redemption is financed in full or in part by way of the Issuer issuing Market Loan(s), at an amount per Bond equal to one hundred (100.00) 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 prior to the relevant Redemption Date to the Bondholders and the Agent in accordance with the instructions of Issuer or the Issuing Agent, as applicable, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

9.4 Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)

- (a) Upon a Change of Control Event or a Listing Failure Event occurring, 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 one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the relevant event pursuant to Clause 10.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event (as applicable).

- (b) The notice from the Issuer pursuant to Clause 10.1(b) 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, or a person designated by 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 10.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.4(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 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may be retained, sold or cancelled in accordance with Clause 9.2 (*Issuer's purchase of Bonds*) above.

10. INFORMATION TO BONDHOLDERS

10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, 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 interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, 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;
 - (iii) as soon as the same become available, but in any event within two (2) months after the end of each financial year, the year-end report (Sw. *bokslutskommuniké*); and

- (iv) 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 listed (each as amended from time to time).
- (b) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall supply a Compliance Certificate to the Agent:
 - (i) in connection with the incurrence of Financial Indebtedness or the making of a Restricted Payment which requires the fulfillment of the Incurrence Test, if *pro forma* Leverage (including the Financial Indebtedness or Restricted Payment) is equal to or exceeds 3.00:1; and
 - (ii) within twenty (20) Business Days from the Agent's request.
- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes 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.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 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 10.1.
- (g) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in Clause 10.1(a) above public by way of press release.

10.2 Information from the Agent

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.

10.3 Information among the Bondholders

Upon request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

10.4 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the other Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

11. FINANCIAL TESTING

11.1 Incurrence Test

The Incurrence Test is met if:

- (a) (i) for the purpose of the incurrence of Financial Indebtedness, Leverage does not exceed 3.50:1 and (ii) for the purpose of distribution of a Restricted Payment, Leverage does not exceed 4.00:1; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or distribution of a Restricted Payment.

11.2 Testing

The calculation of Leverage shall be made as per a testing date determined by the Issuer (the "**Test Date**"), falling no more than one (1) month prior to the incurrence of the new Financial Indebtedness or the distribution of the Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be adjusted as set out in Clause 11.3 (*Calculation adjustments*).

The calculation of the Leverage for the Incurrence Test shall be made in accordance with the Accounting Principles, unless otherwise stated in these Terms and Conditions.

11.3 Calculation adjustments

The figures for EBITDA, Finance Charges and Net Finance Charges, shall be used for the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Relevant Period shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

12. GENERAL UNDERTAKINGS

12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Bonds remain outstanding.

12.2 Admission to trading

- (a) The Issuer has the intention and shall use its best effort to ensure that the Initial Bonds are admitted to trading on a Regulated Market within thirty (30) calendar days after the First Issue Date. The Issuer shall in any event ensure that the Initial Bonds are admitted to trading on a Regulated Market within one hundred and twenty (120) calendar days after the First Issue Date.
- (b) The Issuer has the intention and shall use its best effort to ensure that any Subsequent Bonds are admitted to trading on a Regulated Market within thirty (30) calendar days after the relevant Issue Date. The Issuer shall in any event ensure that any Subsequent Bonds are admitted to trading on a Regulated Market within sixty (60) calendar days after the relevant Issue Date.
- (c) Following an admission to trading of the Bonds, the Issuer shall use its best efforts to maintain such admission to trading for as long as any Bonds are outstanding, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. The Bonds are however not required to be admitted to trading on a Regulated Market from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

12.3 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries:

- (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 shareholders;
- (iv) repay any loans granted by its direct or indirect shareholders or pay interest thereon;
- (v) make any prepayments or repayments under any long-term debt ranking junior or pari passu with the Bonds;
- (vi) grant any loans (other than credits with a maximum duration of four (4) months to partners of the Group granted in the ordinary course of business of the Group) except to Group Companies; or
- (vii) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(items (i)–(vii) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment and is made by any Group Company to another Group Company and, if made by a Group Company which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis.

- (b) Notwithstanding the above, a Restricted Payment may be made by the Issuer, if at the time of such Restricted Payment;
 - (i) such Restricted Payment is mandatory under the Swedish Companies Act (Sw. aktiebolagslagen 2005:551) (including redemptions of shares of Series C in accordance with the articles of association of the Issuer); or
 - (ii) (A) the applicable Incurrence Test is fulfilled (calculated on a pro forma basis including the relevant Restricted Payment), (B) such Restricted Payment is permitted by law and (C) no Event of Default is continuing or would result from such Restricted Payment.

12.4 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

12.5 Financial indebtedness

Unless the relevant Financial Indebtedness constitutes "Permitted Debt", the Issuer shall not, and shall procure that none of its Subsidiaries, incur, maintain or prolong any Financial Indebtedness.

12.6 Disposal of assets

The Issuer shall not, and shall procure that no Subsidiary, 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 is carried out on market terms for such transaction and provided that it does not have a Material Adverse Effect.

12.7 Dealings with related parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

12.8 Negative pledge

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure any Financial Indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security.

13. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.10 (*Acceleration of the Bonds*)) is an Event of Default.

13.1 Non-payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

13.2 Other obligations

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 13.1 (*Non-payment*), unless the non-compliance is capable of remedy and the Issuer has remedied the failure within fifteen (15) Business Days of the earlier of (a) a request by the Agent and (b) the Issuer becoming aware of the non-compliance.

13.3 Cross-acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 13.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

13.4 Insolvency

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

13.5 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 sixty (60) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

13.6 Mergers and demergers

A decision is made that any Group Company shall be merged or demerged if such merger or demerger is likely to have a Material Adverse Effect or a decision where the Issuer shall enter into a merger, where the Issuer is not the surviving entity, or a demerger.

13.7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an

aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within sixty (60) calendar days.

13.8 Impossibility or illegality

It is or becomes impossible or unlawful for the Issuer 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.

13.9 Continuation of business

The Issuer or any other Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect or in the case of a merger or demergers as stipulated in Clause 13.6 (*Mergers and demergers*) above.

13.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), 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 13.10(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. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). 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, in the opinion of the Agent, may 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, an arbitral tribunal 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) In the event of an acceleration of the Bonds in accordance with this Clause 13.10, the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount, together with accrued but unpaid Interest.

14. DISTRIBUTION OF PROCEEDS

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be applied in the following order of priority, in accordance with the instructions of the Agent:
 - (i) *first*, in or towards payment pro rata of (A) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (B) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent, (C) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2(e), and (D) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
 - (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, including default interest in accordance with Clause 8(d) on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with items (i) to (iv) above shall be paid to the Issuer.

- (b) Funds that a Bondholder receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must promptly be turned over to the Agent to be applied in accordance with this Clause 14 as soon as reasonably practicable.

15. DECISIONS BY BONDHOLDERS

- (a) Any 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 (10.00) 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 of 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.
- (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) Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15(c) being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- (e) Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 16(a) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 17(a), in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to

be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.

(f) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:

(i) on the Business Day specified in the notice pursuant to Clause 16(b), in respect of a Bondholders' Meeting, or

(ii) on the Business Day specified in the communication pursuant to Clause 17(b), 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. Such Business Day specified pursuant to item (i) and (ii) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

(g) 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 17(b):

(i) a change to the terms of any of Clause 2(a), and Clauses 2(e) to 2(g);

(ii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);

(iii) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of Proceeds*);

(iv) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15;

(v) a change to the definition "Interest Payment Date", the definition "Interest Rate" or the definition "Margin" set out in Clause 1.1 (*Definitions*).

(vi) 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;

(vii) a mandatory exchange of the Bonds for other securities; and

(viii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Events of Default and Acceleration of the*

Bonds) or as otherwise permitted or required by these Terms and Conditions.

- (h) Any matter not covered by Clause 15(g) shall require the consent of Bondholders representing more than fifty (50.00) 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 17(b). 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 18(a)(i) or 18(a)(ii)) or an acceleration of the Bonds.
- (i) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(g), and otherwise twenty (20.00) 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 matter for which a quorum exists.
- (j) 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 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 15(j), the date of request of the second Bondholders' Meeting pursuant to Clause 16(a) or second Written Procedure pursuant to Clause 17(a), as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15(i) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (k) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

- (l) 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.
- (m) 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.
- (n) 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.
- (o) 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.
- (p) If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) an Affiliate of the Issuer, 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 for determining whether a Bond is owned by a Group Company or an Affiliate of the Issuer.
- (q) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Bondholder on the date referred to in Clause 15(f)(i) and 15(f)(ii) and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

16. BONDHOLDERS' MEETING

- (a) The Agent shall convene a Bondholders' Meeting as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person

who is registered as a Bondholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.

- (b) The notice pursuant to Clause 16(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), (iv) the day on which a person must be a Bondholder in order to exercise Bondholders' rights at a Bondholders' Meeting, and (v) 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.
- (c) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- (d) 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.

17. WRITTEN PROCEDURE

- (a) The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid 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 person who is registered as a Bondholder on a date selected by the Agent which falls no more than 5 (five) Business Days prior to the date on which the communication is sent.
- (b) A communication pursuant to Clause 17(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 ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 17(a)). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- (c) When consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15(g) and 15(h) have been

received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(g) or 15(h), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. AMENDMENTS AND WAIVERS

- (a) The Issuer and the Agent (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 15 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(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 10.4 (*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.
- (c) 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.

19. APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set out in Clause 19.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance

satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The 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.

19.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable 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 or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents.

Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).

- (f) 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.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (i) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 19.2(h).

19.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 15 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 13.10 (*Acceleration of the Bonds*).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10.00) 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 appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such

appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. 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.
- (c) The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.
- (d) The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

21. APPOINTMENT AND REPLACEMENT OF THE CSD

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (Sw. lag (2007:528) om värdepappersmarknaden) and be authorised as a central securities depository in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

22. NO DIRECT ACTIONS BY BONDHOLDERS

- (a) A Bondholder may not take any steps whatsoever against the Issuer 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 obligations and 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 19.1(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 19.2(h), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(i) 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 9.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. TIME-BAR

- (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 to the Issuer from time to time;
 - (ii) if to the Issuer, 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 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 (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the date such person shall be a Bondholder in order to receive the communication, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (b) Subject to Clause 24.1(e) below, 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 and will only be effective, in case of courier or personal delivery, when it has been left at the address

specified in Clause 24.1(a) or, 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).

- (c) Any notice pursuant to the Finance Documents shall be in English.
- (d) 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.
- (e) If any notice or other communication made by the Agent to the Issuer or the Issuer to the Agent under or in connection with the Finance Documents is sent by email, it will be effective on the day of dispatch (unless a delivery failure message was received by the Agent or the Issuer), 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.

24.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.4, 10.1(b), 10.1(e), 13.10(c), 15(q), 16(a), 17(a) and 18(b) 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) Neither the Agent nor 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, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) Should a Force Majeure Event arise which prevents the 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.

- (c) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Central Securities Depositories and 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*).
- (c) Items (a) and (b) above shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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