

**Leax Group AB (publ)**  
**PROSPECTUS REGARDING THE LISTING OF**  
**SEK 300,000,000**  
**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS**  
**2018/2022**  
**ISIN: SE0011088954**

4 July 2018

*Amounts payable under the Bonds (as defined herein) are calculated by reference to STIBOR, which is provided by the Swedish Bankers' Association (Sw. Svenska Bankföreningen). As at the date of this Prospectus (as defined herein), the Swedish Bankers' 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). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Bankers' Association is not currently required to obtain authorisation or registration.*

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Leax Group AB (publ) (the “**Company**” or the “**Issuer**”), in relation to the application for listing on the corporate bond list at Nasdaq Stockholm of the Company’s SEK 300,000,000 senior unsecured callable floating rate bonds 2018/2022, issued on 29 May 2018 (the “**Issue Date**”) with ISIN SE0011088954 (the “**Bonds**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”). See section “*Definitions*” below for the definitions of the foregoing and other terms in this Prospectus.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing 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. 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.

The Prospectus is available at the Swedish Financial Supervisory Authority’s website ([www.fi.se](http://www.fi.se)) and the Company’s website ([www.leax.com](http://www.leax.com)), and paper copies may be obtained from the Company.

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 “*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 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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## Definitions

|                              |  |
|------------------------------|--|
| <b>Agent</b>                 | Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.   |
| <b>Bookrunner</b>            | ABG Sundal Collier AB, reg. no. 556538-8674, P.O. Box 7269, SE-103 89 Stockholm, Sweden.               |
| <b>Issuing Agent</b>         | ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway.                  |
| <b>Bonds</b>                 | The senior unsecured callable floating rate bonds 2018/2022 with ISIN SE0011088954.                    |
| <b>Company or the Issuer</b> | Leax Group AB (publ), reg. no 556658-4479, Nya Hamnvägen 4, 731 36 Köping, Sweden.                     |
| <b>Euroclear Sweden</b>      | Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.                  |
| <b>Leax or the Group</b>     | The group of companies in which the Issuer is the parent company.                                      |
| <b>Nasdaq Stockholm</b>      | The regulated market operated by Nasdaq Stockholm AB.  |
| <b>Prospectus</b>            | This prospectus.   |
| <b>SEK</b>                   | Swedish krona.   |
| <b>Terms and Conditions</b>  | The terms and conditions for the Bonds (see further section 12 “ <i>Terms and Conditions</i> ” below). |

# 1 Summary

*This summary is made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.*

## Section A – Introduction and warnings

|     |                           |   |
|-----|---------------------------|---|
| A.1 | Introduction and warnings | <p>This summary should be read as introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. Please note that this is not an offer to acquire Bonds. In case a claim relating to the information in this Prospectus is submitted to a court, the claimant may, under national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before such legal proceeding is initiated. Only persons who have presented the summary, including any translation thereof, can be subject of civil liability, and only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p> |
| A.2 | Financial intermediaries  | Not applicable; financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.  |

## Section B – Issuer

|      |                           |   |
|------|---------------------------|---|
| B.1  | Legal and commercial name | The registered name and trade name of the Company is Leax Group AB (publ).  |
| B.2  | Legal context             | The Company is registered and incorporated in Sweden as a public limited liability company under the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ) with reg. no. 556658-4479 having its registered office in Köping.  |
| B.4b | Tendencies                | <p>The general market tendencies are difficult to project, but Leax will strive for continued growth through new deals and acquired businesses. The Group intends to grow organically and through acquisitions of and establishment of new operations.</p> <p>There is a general trend among the Group's customers of increased focus to reduce carbon dioxide emissions by more fuel-efficient end products and/or use of renewable fuel sources.</p> <p>Leax has co-engineered and manufactured gearboxes for electric buses, leveraging this capability creates an opportunity to take a leading role in this part of electrification of vehicles. Also, Leax is currently involved in a project with a major European car manufacturer to develop gearboxes for fully electrified passenger cars.</p> |
| B.5  | Group                     | Leax Group AB (publ) is the parent company in the Group, consisting of 13 direct and indirect subsidiaries incorporated in Sweden, Brazil, China, Germany, Hungary, Latvia and Russia (dormant).  |
| B.9  | Financial forecast        | Not applicable; the Prospectus does not include any financial forecast or calculation of expected profit.   |
| B.10 | Auditor's remarks         | Not applicable; there are no audit remarks.   |
| B.12 | Financial summary         | Starting with the financial year ended 31 December 2017, the Group prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS). The figures for the financial year 2016 in the selected historical financial information below have been gathered from the Issuer's audited annual report for the financial year 2017, which have been recalculated into IFRS accounts using the accounting principles used in respect of the financial report for the financial year ended 31 December 2017. The consolidated annual report for the financial year 2016 and 2017 (including the recalculated figures for the financial year 2016) have been audited by the Company's auditor.  |

**Consolidated income statement**

1 January – 31 December

| MSEK  | 2017    | 2016    |
|---|---------|---------|
| Operations  |         |         |
| Revenue   | 1,628.3 | 1,391.0 |
| Other operating income                            | 37.8    | 33.8    |
| Change in finished products and work in progress  | 6.6     | -3.5    |
| Activated work for own account                    | 9.3     | 5.0     |
| Raw materials and consumables                     | -811.5  | -655.0  |
| Other external costs                              | -333.9  | -284.0  |
| Personnel expenses                                | -415.5  | -365.0  |
| Depreciation and amortisation                     | -88.8   | -86.2   |
| Other operating expenses                          | -31.2   | -16.6   |
| Revenue from associated companies                 | 18.4    | -0.7    |
| Operating profit                                  | 19.5    | 18.8    |
| Net financial result                              | -15.4   | -16.4   |
| Profit before tax                                 | 4.1     | 2.3     |
| Tax   | 11.2    | 9.3     |
| Net profit for the period from ongoing operations | 15.4    | 11.7    |
| Discontinued operations                           |         |         |
| Net income from discontinued operations           | 84.9    | -17.9   |
| Net income  | 100.3   | -6.2    |
| Attributable to Company shareholders              | 97.7    | -4.9    |
| Attributable to non-controlling interests         | 2.5     | -1.3    |

**Consolidated balance sheet**

| MSEK  | 2017-12-31     | 2016-12-31     | 2016-01-01*    |
|---|----------------|----------------|----------------|
| <b>Assets</b>                               |                |                |                |
| Intangible assets                           | 17.4           | 5.7            | 35.3           |
| Tangible assets                             | 494.5          | 508.0          | 524.7          |
| Participations in associated companies      | 30.4           | 12.0           | 14.4           |
| Deferred tax asset                          | 43.0           | 36.8           | –              |
| Long-term receivables                       | 5.4            | 2.1            | 4.5            |
| Other financial assets                      | 10.2           | 0.7            | 3.5            |
| <b>Total fixed assets</b>                   | <b>601.0</b>   | <b>565.1</b>   | <b>582.3</b>   |
| Inventories                                 | 229.0          | 217.1          | 247.9          |
| Accounts receivables                        | 266.8          | 196.9          | 237.5          |
| Deferred tax assets                         | 21.7           | 28.0           | 24.6           |
| Other current receivables                   | 38.1           | 5.6            | 9.4            |
| Prepaid expenses and accrued income         | 24.2           | 16.8           | 16.4           |
| Cash and cash equivalents                   | 24.5           | 5.7            | 12.7           |
| Assets held for sale, current               | –              | 161.5          | –              |
| <b>Total current assets</b>                 | <b>604.3</b>   | <b>631.5</b>   | <b>548.5</b>   |
| <b>Total assets</b>                         | <b>1,205.3</b> | <b>1,196.6</b> | <b>1,130.8</b> |
| <b>Equity</b>                               |                |                |                |
| Shareholder equity                          | 1.0            | 1.0            | 1.0            |
| Reserves                                    | 23.2           | 20.3           | –              |
| Retained earnings                           | 244.2          | 174.0          | 178.9          |
| <b>Total equity</b>                         | <b>274.8</b>   | <b>195.9</b>   | <b>182.8</b>   |
| Attributable to Company shareholders        | 268.4          | 195.3          | 179.9          |
| Attributable to non-controlling interests   | 6.4            | 0.6            | 2.9            |
| <b>Liabilities</b>                          |                |                |                |
| Long-term liabilities, interest bearing     | 466.6          | 466.0          | 572.2          |
| Long-term liabilities, non-interest bearing | –              | 9.2            | 12.8           |
| Deferred tax liabilities                    | 19.8           | 29.5           | 13.0           |
| <b>Total long-term liabilities</b>          | <b>486.4</b>   | <b>504.7</b>   | <b>598.0</b>   |

|   |                |                |                |
|---|----------------|----------------|----------------|
| Current liabilities, interest bearing   | 111.2          | 98.3           | 91.6           |
| Prepayments from customers              | 10.7           | 5.5            | 0.2            |
| Accounts payable                        | 210.4          | 155.9          | 157.1          |
| Liabilities to associated companies     | 11.2           | 8.2            | 0.7            |
| Tax liabilities                         | 0.7            | 6.5            | 8.3            |
| Other current liabilities               | 27.9           | 37.3           | 33.7           |
| Accrued liabilities and deferred income | 71.8           | 57.3           | 58.6           |
| Liabilities for assets held for sale    | –              | 127.0          | –              |
| <b>Total current liabilities</b>        | <b>444.0</b>   | <b>496.0</b>   | <b>350.0</b>   |
| <b>Total liabilities</b>                | <b>930.5</b>   | <b>1 000.7</b> | <b>948.0</b>   |
| <b>Total equity and liabilities</b>     | <b>1,205.3</b> | <b>1,196.6</b> | <b>1,130.8</b> |

\* Upon transition from K3 to IFRS, the balance sheet was calculated for both the opening balance (*i.e.* 2016-01-01) and for the closing balance (*i.e.* 2016-12-31). The reason for including the opening balance is to increase the transparency and the ability for potential investors and other stakeholders to track the financial performance over time.

#### **Consolidated cash flow statement**

**1 January - 31 December**

| <i>MSEK</i>  | <b>2017</b> | <b>2016</b>   |
|--|-------------|---------------|
| <b>Cash flow from operating activities</b>                                   |             |               |
| Profit before taxes  | 4.1         | 2.3           |
| Non cash adjustments   | 71.8        | 70.1          |
| Income taxes paid  | -5.2        | 2.3           |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>70.8</b> | <b>74.7</b>   |
| <b>Change in net working capital</b>   |             |               |
| Change in inventories  | -11.9       | 30.8          |
| Change in accounts receivables   | -109.9      | 44.1          |
| Change in accounts payable   | 58.7        | 14.0          |
| <b>Cash flow from operating activities</b>                                   | <b>7.7</b>  | <b>163.6</b>  |
| <b>Cash flow from investing activities</b>                                   |             |               |
| Investment in tangibles  | -91.7       | -53.0         |
| Sale of tangible assets  | 4.6         | 6.5           |
| Investment in intangibles  | -4.1        | -3.6          |
| Divestment of discontinued operations  | 103.1       | –             |
| Investment in financial assets   | -13.5       | –             |
| Sale of financial assets   | –           | -1.1          |
| <b>Cash flow from investing activities</b>                                   | <b>-1.6</b> | <b>-51.2</b>  |
| <b>Cash flow from financing activities</b>                                   |             |               |
| New loans  | 129.7       | 76.6          |
| Amortisation of debt   | -116.1      | -176.2        |
| Dividends to non-controlling interests                                       | -0.8        | -1.4          |
| <b>Cash flow from financing activities</b>                                   | <b>12.8</b> | <b>-100.9</b> |
| <b>Net cash flow from discontinued operations</b>                            | <b>–</b>    | <b>-18.5</b>  |
| Change in cash and equivalents   | 18.9        | -7.1          |
| Cash and cash equivalents at the beginning of the year                       | 5.7         | 12.7          |
| <b>Cash and cash equivalents at end of year</b>                              | <b>24.5</b> | <b>5.7</b>    |

**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 or market position of the Group since the end of the last financial period for which financial information has been published.

|      |                            |   |
|------|----------------------------|---|
| B.13 | Recent financial events    | Other than the issuance of the Bonds on 29 May 2018, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of its solvency.  |
| B.14 | Dependency on subsidiaries | The Company is dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiaries and associated entities <i>inter alia</i> to enable it to make payments under the Bonds and other financing arrangements and to pay dividends to its shareholders. |
| B.15 | Main operations            | Leax is a manufacturer of mechanical components and subsystems for the heavy vehicle industry, mining and construction industries and other engineering industries. Leax also delivers customized gearboxes for various mechanical engineering industries.                                      |

| B.16                               | Main shareholders | <p>The eleven largest shareholders of the Company as at 31 March 2018 are set out in the table below. All of the Company's shares are of the same share class and there is no difference in voting power among the shares.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Shares (no)</th> <th>Shares (%)</th> </tr> </thead> <tbody> <tr> <td>1. Roger Berggren</td> <td>57,110</td> <td>22.67</td> </tr> <tr> <td>2. Jan Berggren</td> <td>52,250</td> <td>20.74</td> </tr> <tr> <td>3. Peter Seger</td> <td>50,750</td> <td>20.15</td> </tr> <tr> <td>4. Robert Seger</td> <td>49,250</td> <td>19.55</td> </tr> <tr> <td>5. Lars Liljeberg</td> <td>10,520</td> <td>4.18</td> </tr> <tr> <td>6. Köpingshus AB*</td> <td>9,225</td> <td>3.66</td> </tr> <tr> <td>7. Peter Luberts</td> <td>4,945</td> <td>1.96</td> </tr> <tr> <td>8. Henrik Fagrenius</td> <td>3,000</td> <td>1.19</td> </tr> <tr> <td>9. Lars Davidsson</td> <td>2,500</td> <td>0.99</td> </tr> <tr> <td>10. Lars Gustafsson</td> <td>1,500</td> <td>0.60</td> </tr> <tr> <td>11. LB Konsult i Köping AB**</td> <td>1,500</td> <td>0.60</td> </tr> <tr> <td><b>Total, largest shareholders</b></td> <td><b>242,550</b></td> <td><b>96.30</b></td> </tr> <tr> <td>Other shareholders</td> <td>9,325</td> <td>3.70</td> </tr> <tr> <td><b>Total</b></td> <td><b>251,875</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>Source: according to information from the Company.<br/> * Köpingshus AB is held jointly by Roger Berggren, Jan Berggren, Peter Seger and Robert Seger.<br/> ** LB Konsult i Köping AB is held jointly by Roger Berggren and Jan Berggren.</p> | Name | Shares (no) | Shares (%) | 1. Roger Berggren | 57,110 | 22.67 | 2. Jan Berggren | 52,250 | 20.74 | 3. Peter Seger | 50,750 | 20.15 | 4. Robert Seger | 49,250 | 19.55 | 5. Lars Liljeberg | 10,520 | 4.18 | 6. Köpingshus AB* | 9,225 | 3.66 | 7. Peter Luberts | 4,945 | 1.96 | 8. Henrik Fagrenius | 3,000 | 1.19 | 9. Lars Davidsson | 2,500 | 0.99 | 10. Lars Gustafsson | 1,500 | 0.60 | 11. LB Konsult i Köping AB** | 1,500 | 0.60 | <b>Total, largest shareholders</b> | <b>242,550</b> | <b>96.30</b> | Other shareholders | 9,325 | 3.70 | <b>Total</b> | <b>251,875</b> | <b>100.00</b> |
|------------------------------------|-------------------|---|------|-------------|------------|-------------------|--------|-------|-----------------|--------|-------|----------------|--------|-------|-----------------|--------|-------|-------------------|--------|------|-------------------|-------|------|------------------|-------|------|---------------------|-------|------|-------------------|-------|------|---------------------|-------|------|------------------------------|-------|------|------------------------------------|----------------|--------------|--------------------|-------|------|--------------|----------------|---------------|
| Name                               | Shares (no)       | Shares (%)  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 1. Roger Berggren                  | 57,110            | 22.67   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 2. Jan Berggren                    | 52,250            | 20.74   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 3. Peter Seger                     | 50,750            | 20.15   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 4. Robert Seger                    | 49,250            | 19.55   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 5. Lars Liljeberg                  | 10,520            | 4.18  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 6. Köpingshus AB*                  | 9,225             | 3.66  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 7. Peter Luberts                   | 4,945             | 1.96  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 8. Henrik Fagrenius                | 3,000             | 1.19  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 9. Lars Davidsson                  | 2,500             | 0.99  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 10. Lars Gustafsson                | 1,500             | 0.60  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| 11. LB Konsult i Köping AB**       | 1,500             | 0.60  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| <b>Total, largest shareholders</b> | <b>242,550</b>    | <b>96.30</b>  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| Other shareholders                 | 9,325             | 3.70  |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| <b>Total</b>                       | <b>251,875</b>    | <b>100.00</b>   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |
| B.17                               | Credit rating     | Not applicable; the Bonds have not been assigned an official credit rating by any credit rating agency.   |      |             |            |                   |        |       |                 |        |       |                |        |       |                 |        |       |                   |        |      |                   |       |      |                  |       |      |                     |       |      |                   |       |      |                     |       |      |                              |       |      |                                    |                |              |                    |       |      |              |                |               |

## Section C – Bonds

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| C.1 | Type of security and securities being offered                                       | <p>There is no offering to purchase, subscribe for or sell the Bonds. The Bonds are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (<i>Sw. ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).</p> <p>The nominal amount of each Bond is SEK 1,000,000 and the Bonds' ISIN is SE0011088954,</p>   |
| C.2 | Denomination  | The Bonds are denominated in SEK.   |
| C.5 | Limitations to the free transferability   | Not applicable; the Bonds are freely transferable. However, bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a bondholder may be subject.   |
| C.8 | Rights pertaining to the Bonds  | <p>The bondholders are entitled to receive Interest on the outstanding Bonds.</p> <p>On the Final Redemption Date, the bondholders are entitled to receive repayment under the Bonds at the Nominal Amount together with accrued but unpaid Interest.</p> <p>The Bonds entitle bondholders representing at least 10 per cent. to request a decision of the bondholders. Such decisions are rendered by way of a Holders' Meeting or a Written Procedure, as decided by the Agent. Valid decisions require the consent of bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which bondholders are voting and a quorum of 20 per cent. In respect of certain matters however, a qualified majority of at least two thirds (2/3) of the Bonds represented at the meeting and a quorum of 50 per cent. is required for a resolution to be passed.</p> <p>The Issuer shall ensure that its payment obligations under the Bonds at all times rank at least <i>pari passu</i> with all its other direct, general, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them, except obligations which are preferred by mandatory provisions of law.</p> <p>No bondholder may take any individual action against the Issuer in matters relating to the Bonds or the Terms and Conditions.</p>                          |
| C.9 | Summary of the Bonds relating to interest, amortisation, final redemption date etc. | <p><b>Interest and Interest Payment Date.</b> The Bonds bear interest from, but excluding, the issue date, 29 May 2018, up to and including the relevant redemption date. The interest is a floating rate of STIBOR (3 months) + 6.25 per cent. <i>per annum</i>, payable on 29 February, 29 May, 29 August and 29 November each year. The final interest payment is due on the final redemption date. Interest shall be calculated on the basis of the actual number of days in the interest period in respect of which payment is being made divided by 360 (actual/360-days basis).</p> <p><b>Final Redemption Date.</b> The final redemption date is 29 May 2022 at which date the Issuer shall redeem all outstanding Bonds at the outstanding nominal amount together with accrued but unpaid interest.</p> <p><b>Early voluntary redemption (call option).</b> The Issuer may redeem all, but not only some, of the Bonds in full on any business day falling after the issue date, but before the final redemption date, at the applicable call option price together with accrued but unpaid interest.</p> <p><b>Equity Claw Back.</b> The Issuer may at one occasion, in connection with an equity listing event, repay up to 35 per cent. of the total nominal amount, against (i) a premium on the repaid amount as set forth in the call option price for the relevant period and (ii) accrued but unpaid interest on the repaid amount.</p> |

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|      |                                   | <p><b>Mandatory repurchase (put option).</b> In the case of a change of control event or listing failure each bondholder has the right to request that all, but not only some, of its Bonds to be repurchased at an amount corresponding to 101.00 per cent. of the nominal amount of each Bond together with accrued but unpaid interest.</p> <p><b>The Agent.</b> Nordic Trustee &amp; Agency AB (publ), reg. no. 556882-1879, is 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.</p> |
| C.10 | Other rights relating to interest | Not applicable; there is no dependency on derivatives.   |
| C.11 | Regulated market                  | The Company intends to apply for listing of the Bonds on the corporate bond list of Nasdaq Stockholm.  |

## Section D – Risk factors

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| D.2 | Risks relating to the Issuer | <p><i>The operations of the Group and the sectors in which it operates are subject to a number of risks that are completely or partly outside the Company's control and which could materially adversely impact the Company's business, financial condition and results of operations and prospects. The risk factors described below are a summary of the main risk factors that the Company considers key risks to its business, financial conditions and results of operations.</i></p> <p><b>Cyclical industry and macroeconomic conditions.</b> Protracted declines demand caused by uncertain economic conditions in one or more of the Group's major geographic markets or end-user industries, the deterioration of the financial condition of any of the Group's key customers or any other reason would have a material adverse effect on the Group's business, financial condition and results of operations.</p> <p><b>Competition.</b> There is a risk that inability to adapt effectively to external market conditions adversely affects the Group's business prospects, results of operations and/or financial position.</p> <p><b>Dependency of customers and material contracts.</b> There is a risk that decline in the business with customers or a termination of material contracts adversely affects the Group's business, financial condition and results of operations.</p> <p><b>Product quality.</b> There is a risk that deterioration of the quality and performance of the Group's products or services hurt the Group's reputation and that product liability claims have a material adverse effect on the Group's business, financial condition and results of operations.</p> <p><b>Adaptation to technological advances and consumer demands.</b> Should the Group fail to adapt to new technologies and changing standards, there is a risk that Group's business, financial condition and results of operations are adversely affected.</p> <p><b>Operations in emerging countries.</b> There is a risk that the Group's operations in certain emerging economies will be adversely affected by political, economic and legal developments in such countries.</p> <p><b>Dependence on suppliers.</b> There is a risk that prolonged interruption in the supply of parts and components, or increases in costs of parts and components that cannot be passed on to customers, has a material adverse effect on the Group's business, financial condition and results of operations.</p> <p><b>Environmental, health and safety risks.</b> There is a risk that more stringent standards in law and regulations of the environment, health and safety, stricter application of these laws and regulations by the authorities, and claims for personal injury or property damage caused by environmental, health or safety shortcomings in the Group's operations or from previous contamination, result in financial penalties or fines, or civil or criminal proceedings. There is also a risk that such events prevent or limit the Group's operations and cause a material adverse effect on the Group's business, financial position and results of operations.</p> <p><b>Financing risk.</b> There is a risk that failure to secure sufficient financing or breach of existing financing terms will have a material adverse effect on the Group's operations, financial position or results.</p> <p><b>Financial reporting.</b> Starting with the financial year ended 31 December 2017, the Group prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and there is a risk that the Group's historical financial statements are not be fully comparable. Furthermore, there is a risk that failure to use accurate assumptions in calculations for financial estimates will have an adverse effect on the Group's operations, financial position and results of operations.</p> <p><b>Legal disputes.</b> There is a risk that legal disputes lead to substantial damages.</p> <p><b>Insurance coverage.</b> There is a risk that losses not covered by insurance policies, exceeds the amount limitations or causes consequential losses, will have a material adverse effect on the Group's operations, financial position or earnings.</p> |
| D.3 | Risks relating to the Bonds  | <p><i>Any investment in securities involves risks. Any such risks could result in a significant fall of the market price of the Bonds and investors losing all or part of their investment.</i></p> <p><b>Credit risk.</b> The bondholders' ability to receive payment under the Terms and Conditions is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position.</p> <p><b>Refinancing risk.</b> Inability to refinance its outstanding debt entails risk of material adverse effect on the Issuer's operations, earnings and financial position and on the bondholders' recovery under the Bonds.</p> <p><b>Ability to service debt.</b> Inability to service its outstanding debt entails risk of material adverse effect on the Issuer's operations, earnings and financial position and thus its ability to service debts under the Bonds.</p> <p><b>Ability to comply with the Terms and Conditions.</b> A breach of the Terms and Conditions risks resulting in a default under the Terms and Conditions and the Bonds may in such case be declared due for payment</p>   |



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|  | <p>immediately. There is a risk that the Issuer will not have sufficient funds to repay the Bonds at such time and that the bondholder's ability to receive payment under the Terms and Conditions is adversely affected.</p> <p><b>Interest rate risks.</b> There is a risk that an increase of the general interest rate level adversely affects the value of the Bonds.</p> <p><b>Liquidity risks.</b> There is a risk that lack of liquidity in the market will have a negative impact on the market value of the Bonds. There is also a risk that the Bonds will not be admitted to trading on a regulated market or that an active trading market for the Bonds will not develop or, if developed, will not be sustained, making it difficult or impossible for the bondholders to sell the Bonds.</p> <p><b>Volatile market price of the Bonds.</b> There is a risk that changes in financial estimates by securities analysts, actual or expected sale of a large number of Bonds or significant price and volume fluctuations on the global markets adversely affect the market price of the Bonds.</p> <p><b>Dependence on subsidiaries.</b> Should the Issuer not receive sufficient income from its subsidiaries and associated entities, there is a risk that the bondholder's ability to receive payment under the Terms and Conditions is adversely affected.</p> <p><b>Structural subordination and insolvency of subsidiaries.</b> Due to the Bonds' structural subordination to the liabilities of the Company's subsidiaries, there is a risk that the Issuer's assets will not be protected from claims from the creditors of a subsidiary. In addition, defaults by, or the insolvency of, certain subsidiaries entails a risk of a material adverse effect on the Group's business, financial position and results of operations which could, as a consequence, adversely affect the bondholders' recovery under the Bonds.</p> <p><b>Unsecured obligations and security over assets.</b> The bondholders will only have an unsecured claim against the Issuer and there is a risk that they will not recover any or all of their investment. In addition, security enforcements by a third-party financier entails a risk of material adverse effect on the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds.</p> <p><b>Early redemption, prepayment and put option.</b> There is a risk that the market value of the Bonds is higher than the early redemption amount or prepayment amount. There is also a risk that the Issuer will not have sufficient funds at the time of a prepayment of the Bonds required by the bondholders (put option) which could adversely affect the bondholders' recovery under the Bonds.</p> <p><b>No action against the Issuer and bondholders' representation.</b> There is a risk that failure of all bondholders to submit the power of attorney needed for certain court actions against the Issuer negatively affects the legal proceedings. There is also a risk that the actions of the Agent impact a bondholder's rights connected to the Bonds in an undesired manner.</p> <p><b>Bondholders' meetings.</b> There is a risk that actions of the bondholder majority impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.</p> <p><b>Restrictions on the transferability of the Bonds.</b> There is a risk that a bondholder cannot sell its Bonds as desired due to legal restrictions.</p> <p><b>Euroclear Sweden's book-entry system.</b> If Euroclear Sweden's account-based system would not function properly, there is a risk that investors will not receive payments under the Bonds as they fall due.</p> |
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## Section E - Offering

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| E.2b | Reasons for the offer and use of proceeds | This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds. The reason for applying for admission of listing of the Bonds on Nasdaq Stockholm is that this is a requirement from the bondholders. The net proceeds of the Bond Issue has and shall be applied towards general corporate purposes of the Group, including payments of transaction costs in relation to the Bond Issue. |
| E.3  | Background and terms and conditions       | Not applicable; this Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds.   |
| E.4  | Conflicts of interest etc.                | Not applicable; this Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds.   |
| E.7  | Costs for the investor                    | Not applicable; this Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds.   |

## 2 Risk factors

*Investing in the Bonds involves inherent risks. The financial performance of the Group and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occur, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Issuer's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented in this Prospectus are not exhaustive as other risks not known to the Issuer or risks arising in the future may also come to adversely affect the Group, the price of the Bonds and the Issuer's ability to service its debt obligations. Further, the risk factors herein are not ranked in order of importance. Potential investors should carefully consider the information contained in this Prospectus and make an independent evaluation before making an investment decision.*

### **RISKS RELATING TO THE GROUP, THE INDUSTRY AND THE MARKET**

***The Group's products and services are used in industries which are highly cyclical and affected by global, regional and national economic conditions***

The Group's industry is highly cyclical and affected by global, regional and national economic conditions, levels of industrial investment activity and levels of industrial production. Hence, the Group's earnings and financial position are, and will continue to be, influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates, it being understood that such macroeconomic factors vary from time to time and their effect on the Group's earnings and financial position cannot be specifically and singularly assessed and/or isolated. Furthermore, the production volumes in the Group's customer contracts are generally not predefined at specific volumes but expressed as the Group's share of the customer's demand for the relevant product. Hence, the demand for the Group's products and services is further affected by changes in customers' investment plans and production levels. There is a risk that customers' production levels change materially, in particular in the case of a widespread financial crisis and economic downturn or in the case of an economic downturn in a particular industry, country or region. Financial crises also have an impact on customers' ability to finance their investments. There is also a risk that changes in the political situation in a region or country or political decisions affecting an industry or country materially impact customer demand. Protracted declines demand caused by uncertain economic conditions in one or more of the Group's major geographic markets or end-user industries, the deterioration of the financial condition of any of the Group's key customers or any other reason would have a material adverse effect on the Group's business, financial condition and results of operations.

During the financial year ended 31 December 2017, the Group's European operations represented approximately 92 per cent. of the Group's sales<sup>1</sup> and is expected to continue to represent the majority of the Group's sales. Thus, the Group faces significant exposure to the economic conditions, levels of industrial investment activity and levels of industrial production in Europe. The economic environment in Europe has historically been, and may continue to be, adversely affected by increased levels of public debt in Europe; actual or perceived risk of sovereign illiquidity or insolvency, such as the problems previously experienced by certain members of the euro area; loss of confidence in certain currencies; tight credit and tensions in the capital markets; weak consumer confidence; decline in consumption; inflationary pressure resulting from rising energy and raw material prices; rising interest rates; general factors such as political instability, terrorism or natural disasters; and fear of, or actual, contagion of any of the foregoing to

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<sup>1</sup> Leax's annual and consolidated annual report 2017 p. 18.

previously unaffected markets. In addition, the result of the referendum in the United Kingdom in favour of the exit of the United Kingdom from the European Union (EU) and the consequent triggering of Article 50 of the Treaty of Lisbon has created uncertainty in European markets, and upon the withdrawal of the United Kingdom from the EU, expected to take place in April 2019, the impact on the Group's business in Europe and the European industry in general is very difficult to predict. However, there is a risk that continuation or worsening of economic instability in Europe due to the referendum in the United Kingdom or otherwise will have a material adverse effect on the Group's business, financial condition and results of operations.

Lastly, the Group's biggest market segment, commercial vehicles, accounted for more than half of the Group's sales during the financial year ended 31 December 2017. There is a risk that a decline in demand for commercial vehicles due to weakening macroeconomic factors will have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is active in a competitive industry and failure to effectively compete could have an adverse effect on the Group's business, results of operations and financial position***

Substantially all of the Group's revenues are generated in competitive sectors. The Group faces competition from global, regional and local manufacturers and component suppliers in Europe, Asia and Latin America. Each of these markets are competitive in terms of product quality, innovation, pricing, reliability, safety, customer service and ancillary services offered. Furthermore, certain of the Group's global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain products offered by the Group. There is a risk that aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group's failure to price its products competitively adversely affect the Group's business, results of operations and financial position. Should the Group be unable to adapt effectively to external market conditions, there is a risk that the Group's business prospects, results of operations and/or financial position are adversely affected.

***The Group is heavily dependent on a small number of customers and certain material contracts and a deterioration or decline in the business with these customers or a termination of such material contracts could have a material adverse effect on the Group's business, financial condition and results of operations***

The Group is to a large extent dependent on its key customers. During 2017, the Group's five largest customers contributed to approximately 65 per cent. of the Group's revenues. There is a risk that the Group's revenue stream from these customers will be adversely affected by a deterioration or decline in the business of these customers or if any of these customers would terminate or not renew their agreements or cooperation with the Group. In particular, notwithstanding the above mentioned diversification in products and market segments and the entry barriers, the Group is exposed to a significant counterparty risk if its key customers would go into bankruptcy, insolvency or similar proceedings. If a significant amount of the Group's commercial relationships with its key customers are terminated or not extended or replaced, this would have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, a number of customer contracts of the Group individually accounts for 5 per cent. or more of the revenues of the Group. If any such material contract would be terminated or not extended or replaced, this could have a material adverse effect on the Group's business, financial conditions and results of operations.

***There is a risk that deterioration of the quality and performance of the Group's products or services hurt the Group's reputation and that consequent product liability claims have a material adverse effect on the Group's business, financial condition and results of operations***

The performance and quality of the Group's products and services have been and will continue to be critical to the success of the Group's business. The performance and quality of the Group's products and services depend significantly on the effectiveness of the Group's quality control systems, which in turn depend on

a number of factors, including the personnel's level of experience, quality of the training programs, the design of the systems and the Group's ability to ensure that its products are duly controlled. In particular, in connection with its geographical expansion, there is a risk that the Group will not be able to recruit and retain personnel with an adequate level of experience to ensure the performance and quality of its products. There is a risk that a significant failure or deterioration of the Group's quality control systems will have a material adverse effect on its brand and reputation and result in product liability claims, which individually or cumulatively could result in substantial liabilities and in turn have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group must be innovative and adapt to technological advances and consumer preferences and demands***

The Group's industry is undergoing substantial changes, with trends promoting electrification, sustainability, connectivity, e-mobility and autonomous driving. As such, the Group's customers will have to develop new products and technologies, with increased focus on software development rather than traditional hardware, which is consequently advocating a shift in the customers' core competences. Hence, the Group's future success is dependent on its ability to successfully adapt to such trends and manufacture new products, in particular products and services promoting sustainability and electrification of commercial vehicles and personal cars. In an industry currently characterised by rapid emergence and development of new products, technologies and customer practices, it is imperative that the Group is able to adapt to new products, services and technologies in order to attract and retain customers. There is a risk that adaptation to new technology and changing standards will require the Group to commit significant funding to replace, upgrade, modify or adapt its existing manufacturing processes and technology, which could negatively impact the Group's business, financial conditions and results of operations. Should the Group fail to adapt to new technologies and changing standards, there is a risk that the Group's business, financial condition and results of operations are adversely affected.

***Failure to manage growth and difficulties integrating acquired companies and subsequently implementing steel development projects could adversely affect the Group's business, financial condition and results of operations***

Since its inception, the Group has been growing rapidly, partly through organic growth and partly through acquisitions. Such growth rate increases the demand for management and operational control, information and reporting systems as well as financial control. The Group's past growth has entailed significant investment and increased operating costs, and has required allocation of management resources away from daily operations. Managing growth has required continued development of the Group's financial and management information control systems, the integration of acquired assets with existing operations, attracting and retaining qualified management and personnel as well as continued training and supervision of such personnel, and the ability to manage the risks and liabilities associated with the acquired businesses. Failure to manage such growth risks having a material adverse effect on the Group's business, financial condition and results of operations. In addition, there is a risk that the Group fails to identify appropriate targets or consummate transactions on satisfactory terms. Furthermore, there is a risk that the Group will be unable to arrange financing for acquired businesses (including acquisition financing) on favourable terms or at all and, as a result, elect to fund acquisitions with cash that could otherwise be allocated for other uses in its existing operations.

To achieve the Group's revenue and growth goals, the Group must successfully manage business opportunities, revenue streams, product and service quality and operations, and increase capacity and infrastructure as required by customer demand across the jurisdictions in which the Issuer operates. Possible exploration of new and diversified revenue generating strategies and the increasing business complexity entail additional requirements on the Issuer's systems, controls, procedures and management, which result in a risk that the Issuer's ability to successfully manage future growth will be strained. Further, there is a risk that the Issuer fail to successfully implement revenue or cost strategies. In addition, there is a risk that

such problems result in delays in fulfilling customer demands and increased expenses for the Issuer. Any such delay or increased expenses could have a material adverse effect on the Group's business, financial condition and results of operations.

Future growth will also impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees. There is a risk that the Issuer fails to successfully manage such developments and growth. If the Issuer is unable to effectively manage its growth, or is unsuccessful in adapting to changes and increased requirements resulting from expansion, there is a risk that the Group's growth is adversely affected, which in turn could have a material adverse effect on the Group's business.

***There is a risk that the Group's operations in certain emerging economies will be adversely affected by political, economic and legal developments in such countries***

The Group is currently present and expanding in certain countries in which the political, economic, legal, and regulatory systems are less predictable than in countries with more developed institutional structures. There is a risk that political or economic upheaval, changes in laws and other factors will have a material adverse effect on the Group's results of operations and/or impair the value of its investments in such countries.

A significant risk of operating in emerging market countries is the potential establishment or enforcement of foreign exchange restrictions, which put the Group at risk of being effectively prevented from repatriating profits or liquidating assets and withdrawing from one or more of these countries. For example, China imposes foreign exchange controls on foreign companies. Furthermore, there is a risk that changes in tax regulations or enforcement mechanisms reduce substantially or eliminate any revenues derived from operations in these countries and reduce significantly the value of assets related to such operations. Legal and regulatory systems in emerging market countries are also typically less developed and not as well enforced as in Western European countries, which creates uncertainty in the operating environment. If any or several of the above risks materialise, singly or in the aggregate, there is a risk that the Group's operations, financial position and results of operations are adversely affected.

***There is a risk that regulatory changes have a material adverse effect on the Group's business, financial condition and results of operations***

The Group operates in a global environment and is subject to a wide variety of legal systems. There is a risk that the Group's governance and compliance processes are insufficient to prevent breaches of law or governance standards by the Issuer or its subsidiaries. There is a risk that uncertainties in the interpretation and application of laws and regulations in the jurisdictions in which the Group operates and, in particular, the enactment of new laws and regulations and changes to existing laws and regulations which impact the Group and its business activities, result in reduced revenues and/or increased costs or failure to keep pace with regulatory changes, which in turn cause an adverse effect on the Group's operations, financial position and results of operations.

***The Group depends on key suppliers for certain parts and components***

The Group's manufacturing process requires substantial amounts of certain parts and components made of steel, in particular forged blanks and engineering steel bars, and the price of such parts of components follows the market steel price to a large extent. The market steel price is set in the world market and it is volatile. The price volatility is primarily due to fluctuating customer demand, supply and speculation, which may, from time to time, be compounded by decreases in extraction and production due to natural disasters, political or financial instability or unrest. Raw material prices are important drivers for demand in the Group's industries and there is a risk that increasing raw material prices adversely affect the customers' demand for the Group's products and services.

The Group relies upon suppliers for certain parts and components. There is a risk that replacement of a supplier is time consuming and the terms available will not be as favourable as the terms in current supply agreements. There is also a risk that the Group will not be able to maintain appropriate supply arrangements with its suppliers or otherwise ensure access to parts and components. There is a risk that access to certain raw parts and components are affected by factors outside of the Group's control and the control of its suppliers and that disruption or shortage in the supply of parts and components negatively impact the Group's costs of production, its ability to fulfil orders and to achieve growth in product sales, as well as the profitability of the Group's business.

Further, there is a risk that the Group will be forced to purchase products from other suppliers for various reasons, including if a supply contract is not extended, if a supplier is not able to meet its delivery obligations (including due to export, import or other restrictions) or if a supplier faces financial or operational difficulties or disruptions. If the Group is unable to obtain adequate and punctual deliveries of required materials at acceptable prices, there is a risk that it will be unable to manufacture sufficient quantities of products in a timely or profitable manner, which could harm the Group's reputation and cause it to lose customers, incur additional costs or delay new product introductions. There is also a risk that changing the supplier of a certain part or component negatively affects the Group's production since it might be forced to carry out necessary adjustments to its production process as dictated by differences in quality and other characteristics of the part or component.

There is a risk that prolonged interruption in the supply of parts and components, or increases in costs of parts and components that cannot be passed on to customers, have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is dependent on its technology systems and there is a risk that any extended outage, inadequate functionality or delays to the information system will have a materially adverse effect on the Group's business, financial position and results of operations***

The Group is dependent on its technology systems in its operations, e.g. to coordinate allocation of resources, control product inventories, manufacturing, sales and purchase and transport raw materials. There is a risk that difficulties in maintaining, upgrading and integrating these systems result in damage to the Group's reputation, increased costs, and reduced profitability. There is also a risk that the functioning of the Group's technology systems is disrupted for reasons beyond the Group's control, including accidental damage, disruptions to the supply of utilities or service, extreme weather events, safety issues, system failures, workforce actions or environmental disasters. Each outage, inadequate functionality or delays to the technology system entail risk of loss of important information or the delay of some actions, which in turn may have a materially adverse effect on the Group's business, financial position and results of operations.

In the event the Group's technology systems become unusable or its function is significantly impaired for any reason, there is a risk that the Group's operations are adversely affected since the manufacturing process as well as the ability to deliver products at the appointed time, order raw materials and handle inventory are dependent on the Group's technology systems. Any outage, inadequate functionality or delays to the information system entail risk of loss of important information or the delay of some actions, which in turn may have a materially adverse effect on the Group's business, financial position and results of operations.

In addition, there is a risk that problems with technology systems result in leakage of sensitive information, theft of intellectual property and unavailability of production systems, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. There is also a risk that compromise of the Group's technology security result in a loss of confidence in the Group's security measures and expose the Group to litigation, civil or criminal penalties and adverse publicity that could have a material adverse effect on the Group's business, financial condition and results of operations.

***Failure to attract qualified personnel or a loss of key personnel or labour unrest entails risk of disruption of the Group's business and a material adverse effect on the Group's business, financial condition and results of operations***

The Issuer and its subsidiaries are dependent on certain key individuals at senior management level. Loss of key individuals could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's success is also attributable to the Group's ability to recruit and retain personnel with a high level of technical expertise and experience. Similarly, if the Group cannot recruit, train, retain and/or motivate and replace qualified personnel, there is a risk that it will be unable to compete effectively and that the successful implementation of the Group's strategies will be limited or prevented, which in each case could have an adverse effect on the Group's operations, financial position and results of operations.

In addition, the need for qualified employees in emerging market countries may require the Group to hire foreign trained employees, which entails a risk of reducing the cost competitiveness of its operations. Expansion in emerging market countries also places greater pressure on monitoring corrupt behaviour, in particular in countries that have a history of governmental corruption. There is a risk that the reputation of the Group will be severely harmed due to corrupt behaviour by its employees, whereby the Group is subject to risk of fines and other sanctions. This could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is also subject to risk of labour disputes and adverse employee relations that disrupt its business operations and there is a risk that any work stoppage could have a material adverse effect on the Group's business, financial condition and results of operations.

***Environmental, health and safety risks***

The Group is subject to various environmental laws and regulations. As environmental laws and regulations are amended or as their application or enforcement is changed, there is a risk that significant costs in complying with new and more stringent regulations will be imposed on the Group. Further, some of the Group's operations require environmental and other regulatory permits that are subject to modification, renewal or, subject to certain conditions, revocation by the issuing authorities. The procedures for obtaining these permits are often long and complex and there is a risk that the requested permit will not be granted or renewed. In addition, there is a risk that violations of applicable environmental laws and regulations result in civil and criminal penalties, revocation of permits and licences, the curtailment or cessation of operations, third-party claims or any combination thereof, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

There is a risk that progress in the form of more stringent standards in law and regulations of the environment, health and safety, stricter application of these laws and regulations by the authorities, and claims for personal injury or property damage caused by environmental, health or safety shortcomings in the Group's operations or from previous contamination, result in financial penalties or fines, or civil or criminal proceedings. There is also a risk that such events prevent or limit the Group's operations, any of which may have a materially adverse effect on the Group's business, financial position and results of operations.

***There is a risk that the Group's governance, internal controls and compliance processes fail to prevent regulatory penalties, reputational harm and fraud***

The Group operates in a global environment and its activities straddle multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and enforcement initiatives globally in areas such as anti-corruption law. The Group has currently not implemented policies and procedures regarding e.g. sanctions and anti-corruption, which entails a risk that the Group's governance and compliance processes will fail to prevent breaches of law or governance standards by the Group or by its subsidiaries.

There is also a risk that any failure of the Group to comply with applicable laws and other standards subject it to fines, loss of operating licences and reputational harm.

Further, there is a risk that errors and delays in internal reporting are not discovered in time.

Additionally, at the operational level, there is a risk that individual employees will not comply with the Group's policies and guidelines and as a result cause the Group to incur compliance costs and cause the Group reputational damage. The Group relies upon governance, internal control and compliance systems, the effective operation of which will be necessary for the Group to accurately and effectively compile the Group's financial results and monitor its internal control processes. Any problems with these systems could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, there is a risk that inadequate internal controls will cause investors and other third parties to lose confidence in the Group's reported financial information.

### ***Financing risk***

To finance investments in, *inter alia*, new geographical markets, technological developments or new investments, the Group will need to make use of available financial assets and/or secure additional financing by, for example, raising loans or issuing new shares. Previously approved and ongoing investments may require additional financing. Access to additional financing is dependent on various factors such as market conditions, general access to credit, general access to credit in the financial markets and the Group's credit worthiness. There is a risk that the Group will be unsuccessful in securing sufficient financing on favourable terms or even in obtaining any financing at all. A negative trend in sales or margins, or alternatively unforeseen obligations, changes in times of tax obligations, settlement of accounts payable or paid accounts receivable entails risk of leading to a shortage of liquidity and working capital and thus force needs for additional financing in, for example, equity or loans. There is a risk that raising such financing cannot take place on acceptable terms and conditions and if the Group does not secure the necessary financing there is a risk that it fails to carry out its business plan, thus resulting in lower profitability and financial flexibility. Should any of these risks arise, it could have a material adverse effect on the Group's operations, financial position or results.

Further, there is a risk that existing financing in the Group contains undertakings which, if breached and not waived, result in the existing financing being accelerated and becoming due and payable. An obligation to prepay any existing financing could have an adverse effect on the Group's operations, financial position and results.

The Group is also dependent on its ability to finance short-term fluctuations in cash flow and unforeseen major payment obligations. A situation where the Group is unable to meet its financial obligations towards its creditors due to lack of liquidity could have an adverse effect on the Group's operations, financial position and results.

### ***Financial reporting***

Starting with the Issuer's financial year ended 31 December 2017, the Group prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). In preparing financial statements, the Group's management may be obliged to make certain judgements and estimates that could have an impact on the Group's financial statements. There is a risk that failure to use accurate assumptions in calculations for such estimates will have an adverse effect on the Group's operations, financial position and results of operations.

Furthermore, since the Group has recently changed its accounting principles, there is a risk that the Group's historical financial statements are not fully comparable to any future financial statements. In particular, the comparability of the Group's financial statements is affected by the divestment of the majority of the Group's telecom business in 2017.



### ***The Group is exposed to foreign exchange transaction and translation risks***

The Group is exposed to currency risk, *i.e.* the risk that currency exchange rate fluctuations will have an adverse effect on its cash flow and financial position or its consolidated income statement or balance sheet. Exchange rate fluctuations affect the Group's results partly when sales and purchases in foreign subsidiaries are conducted in different currencies (transaction exposure), and partly when the Issuer's consolidated profit and loss accounts and balance sheet items are translated from foreign currencies in the Issuer's reporting currency, being SEK (translation exposure).

The Group's transaction exposure arises from the generation of income in markets with currencies other than those in which certain raw materials and products are procured, *i.e.* if sourcing of raw materials and production are not both localized, and mainly relates to the positions and future transactions in Euro (EUR), Hungarian forint (HUF), Brazilian real (BRL) and Renminbi (RMB). The Group does not enter into forward contracts or options to hedge against exposure to transaction and exchange rate risks and thus, to the extent the Group is not able to set-off the transaction exposure by procuring or maintaining local sourcing or by hedging clauses in customer contracts, there is a risk that negative fluctuations in exchange rates, in particular SEK against EUR, BRL, HUF and RMB, result in a material adverse effect on the Group's operations, financial position and earnings.

The Issuer is exposed to translation risk to the extent that its subsidiaries' assets, liabilities, revenues and expenses are recorded in currencies other than the Issuer's reporting currency, SEK. The main currencies, besides SEK, in which the Group assets, liabilities, revenues and expenses are recorded are EUR, HUF, BRL and RMB. In order to prepare its consolidated financial statements, the Issuer must translate those assets, liabilities, revenues and expenses into SEK at then-applicable exchange rates. Consequently, increases and decreases in the value of SEK versus such other currencies will affect the amount of these items in its consolidated financial statements, even if their value has not changed in their original currency. There is a risk that these translations will significantly impact the Group's financial position or earnings and, especially as the Group expands its geographical markets, that the comparability of the Group results between periods will to an increasing extent be affected by changes in currency exchange rates.

### ***Risks relating to involvement in legal disputes***

The Group companies are occasionally involved in disputes as part of their normal business operations. There is a risk that the Group will be the target of claims in respect of, for example, regulatory compliance, contract matters, customer-related issues and tax matters. Such disputes and claims can be time consuming, disrupt normal operations, involve large amounts and entail substantial costs. There is a risk that ongoing and future disputes will lead to substantial damages which could have a material adverse effect on the Group's operations, financial position or earnings.

### ***There is a risk that the Group's insurance cover prove to be inadequate for protecting the Group against losses and/or liabilities in its operations***

Most of the Group's insurance policies are limited (insured amounts) to certain maximum amounts per claim or series of claims or pertain to total amounts during a certain insurance period. For example, the Group's product liability insurance coverage is limited to certain amounts and it does not cover all potential liabilities. Accordingly, there is a risk that a major claim or a series of smaller claims for damages related to the Group's products sold will not be fully covered by insurance, or will not be covered by insurance at all.

In addition, the Group is subject to risk of other losses that are expressly excluded from or that for other reasons are not encompassed by the Group's existing insurance. For example, certain types of losses are not generally covered by insurance since it is not deemed possible to insure such losses. This could be, for example, damage caused by war or terrorism and professional or personal liability in the event of negligent, intentional or criminal acts.

If a loss is not covered by an insurance policy, exceeds the amount limitations or causes consequential losses, it could have a material adverse effect on the Group's operations, financial position or earnings.

## **RISKS RELATING TO THE BONDS**

### ***Credit risks***

An investment in the Bonds carries a credit risk relating to the Group. The bondholders' ability to receive payment under the Terms and Conditions is therefore dependent upon the Issuer's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed herein. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial position of the Group may entail a lower credit-worthiness and the possibility for the Group to receive financing may be impaired when the Bonds mature.

### ***Refinancing risk***

The Issuer may be required to refinance its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Issuer's financial position at such time. Even if the markets and the Issuer's financial position improve, there is a risk that the Issuer will not have access to financing sources available on acceptable terms, or at all. The Issuer's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Issuer's operations, earnings and financial position and on the bondholders' recovery under the Bonds.

### ***Ability to service debt***

The Issuer's ability to service its debt under the Bonds will depend on, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be enforced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all, which could have a material adverse effect on the Issuer's operations, earnings and financial position.

### ***Ability to comply with the Terms and Conditions***

The Issuer will be required to comply with the Terms and Conditions and the other Finance Documents. There is a risk that events beyond the Issuer's control, including changes in the economic and business conditions in which the Group operates, affect the Issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions and lead to that the Bonds are declared due for payment immediately. There is however a risk that the Issuer will not have sufficient funds to repay the Bonds at such time and that the bondholder's ability to receive payment under the Terms and Conditions is adversely affected.

### ***Interest rate risks***

The value of the Bonds is dependent on several factors, including the level of the general market interest rates over time. The Bonds have a floating rate structure on three (3) month STIBOR plus a margin and the interest rate of the Bonds will be determined two (2) business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level adversely affects the value of the Bonds.

The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

#### ***Liquidity risks***

The Issuer has undertaken to list the Bonds issued under the Bond Issue on a regulated market within twelve (12) months of the first issue date. It is further the Issuer's intention to complete such listing within thirty (30) calendar days from the first issue date of the Bonds, and if the Bonds have not been admitted to trading within sixty (60) calendar days after the first issue date of the Bonds, each bondholder has a right of prepayment (put option) of its Bonds. However, there is a risk that the Bonds will not be admitted to trading. Further, even if the Bonds are admitted to trading on a regulated market, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. 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. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on a regulated market.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

#### ***The market price of the Bonds may be volatile***

There is a risk that the market price of the Bonds will be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's and the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed herein. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results, financial position or prospects.

#### ***Currency risk***

The Bonds are denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments risk causing a decrease in the effective yield of the Bonds below their stated coupon rates and result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. There is a risk that government and monetary authorities impose (as some have done in the past) exchange controls that adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors receive less interest or principal than expected, or no interest or principal.

#### ***Dependence on subsidiaries***

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation's indebtedness. Should the Issuer not receive sufficient income from the subsidiaries, the investor's ability to receive payment under the Terms and Conditions is at risk being adversely affected.

### ***Structural subordination and insolvency of subsidiaries***

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. There is a risk that the Issuer and its assets would not be protected from actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group may result in the obligation of the Group to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material adverse effect on the Group's business, financial position and results of operations and, as a consequence, on the bondholders' recovery under the Bonds.

### ***Influence of major shareholders and change of control***

As at 31 March 2018, the four largest shareholders combined held approximately 88 per cent. of the shares and votes in the Company. There is a risk that the majority shareholders' interests differ significantly from or compete with the Company's or the Group's interests or those of the bondholders and it is possible that such shareholders exercise influence over the Company and the Group in a manner that is not in the best interests of the bondholders, particularly if the Company encounters difficulties or is unable to pay its debts as they fall due. Any majority shareholders have legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, majority shareholders will have the ability to elect the board of directors, thus influencing its direction of the Group's operations and other affairs. Furthermore, there is a risk that majority shareholders have an interest to pursue acquisitions, divestments, financings or other transactions that, in their judgment, enhance their equity investments, although such transactions involve undesired risks for the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position, which in turn could affect the bondholders' recovery under the Bonds.

In addition, there is a risk that the concentration of share ownership, depending on the circumstances, accelerates, delays, postpones or prevents a change of control in the Group and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may be undesired by the bondholders or involve risks to the bondholders. Such conflict of interest could have a material adverse effect on the Group's operations, earnings and financial position and adversely affect the investor's ability to receive payment under the Terms and Conditions. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is a risk that the Company does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment, see further under section "*Risks related to early redemption and put option*" below.

### ***Unsecured obligations and security over assets granted to third parties***

The Bonds represent unsecured debt obligations of the Issuer. This means that if the Issuer is subject to any dissolution, winding-up, liquidation, restructuring (*Sw. företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the bondholders normally receive payment after any priority creditors have been paid in full. The bondholders will only have an unsecured claim against the Issuer. As a result, there is a risk that the bondholders will not recover any or all of their investment. Each investor should therefore be aware of that an investment in the Bonds entails a risk that the investor loses all or part of its investment if the Issuer becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

The Group currently has provided security for certain bank facilities and the Group may, subject to limitation in the Terms and Conditions, incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such

third party financier holding security provided by the Group would enforce such security due to a default by any Group company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

***Risks related to early redemption, prepayment and put option***

Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount, which exceeds the nominal amount of the Bonds. In the event of an Equity Listing Event, the Issuer may repay up to 35 per cent. of the total outstanding nominal amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it will not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and will only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) (i) if an event or series of events occur whereby one or more persons (other than the main shareholder or an affiliate thereof) acting in concert acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or 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 or (ii) if the Bonds issued under the initial Bond issue have not been listed on a regulated market within sixty (60) calendar days after the first issue date. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, 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 option.

***Distributions***

Under the Terms and Conditions, the Group is subject to restrictions regarding distributions unless certain financial covenants are met. However, if the conditions are met and such distributions are made, the assets of the Group will decrease, which could have an adverse effect on the position of the bondholders and the bondholders' recovery under the Bonds.

***No action against the Issuer and bondholders' representation***

In accordance with the Terms and Conditions, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and/or guarantee and therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, brings its own action against the Issuer (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. There is a risk that the failure of all bondholders to submit such power of attorney negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. There is a risk that the actions of the Agent in such matters impact a bondholder's rights under the Terms and Conditions and the other Finance Documents in a manner that would be undesirable for some of the bondholders.

***Bondholders' meetings***

The Terms and Conditions will include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in

the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. There is a risk that the actions of the majority in such matters impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

***Restrictions on the transferability of the Bonds***

The Bonds have not been and will not be registered under the Securities Act or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired and that, as a consequence, such bondholder loses part or all of its investment.

***Risks relating to the clearing and settlement in Euroclear Sweden's book-entry system***

The Bonds are affiliated with Euroclear Sweden's account-based system, and no physical Bonds will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear Sweden's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear Sweden's account-based system, which is a factor that the Issuer cannot control. If Euroclear Sweden's account-based system would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.

***Amended or new legislation***

This Prospectus and the Terms and Conditions are based on Swedish law in force at their respective date of issuance. It is possible that the impact of any future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There is a risk that amended or new legislation and administrative practices adversely affect the investor's ability to receive payment under the Terms and Conditions.

***Conflict of interests***

The Issuing Agent and the Bookrunner have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest exist or arise as a result of the Issuing Agent and the Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

***Obligation to publish key information document (PRIIPS)***

The Issuer's offering of the Bonds is structured in reliance of the view that it is not required to publish a key information document (KID) as the Bonds are not deemed within scope of EU Regulation no. 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPS). Incorrect interpretation of the EU Regulation or applied practices by the DFSA in conflict with the Issuer's view entail risk to result in fines or other sanctions against the Issuer and to harm its reputation.

### 3 Statement of responsibility

The Company issued the Bonds on 29 May 2018. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

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

Köping, 4 July 2018

**Leax Group AB (publ)**  
*The Board of Directors*

## 4 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 documents incorporated by reference, before a decision is made to invest in the Bonds. The complete terms and conditions can be found in the Terms and Conditions in section 11 of this Prospectus.*

*Concepts and terms defined in the Terms and Conditions are used with the same meaning in this description unless otherwise is explicitly understood from the context.*

|   |   |
|---|---|
| <b>The Issuer:</b>                      | Leax Group AB (publ), reg. no. 556658-4479, a public limited liability company with registered office in Köping.  |
| <b>The Bonds:</b>                       | The Bonds are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ). The Bonds constitute direct, general unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Company and without any preference among them. The Company's board of directors resolved to issue the Bonds on 13 March 2018. |
| <b>Issue date:</b>                      | 29 May 2018.  |
| <b>ISIN-code:</b>                       | SE0011088954.   |
| <b>Short name:</b>                      | LEAX01.   |
| <b>The total nominal amount:</b>        | The total nominal amount of the Bond Issue is SEK 300,000,000.  |
| <b>Purpose of Bond Issue proceeds:</b>  | General corporate purposes of the Group, including payments of Transaction Costs.   |
| <b>Nominal amount and denomination:</b> | Each Bond has a Nominal Amount of SEK 1,000,000 and is denominated in SEK.  |
| <b>Interest:</b>                        | The Bonds bear Interest from, but excluding the Issue Date up to and including the Final Redemption Date, at a floating rate of STIBOR (3 months) + 6.25 per cent. per <i>annum</i> , payable on 29 February, 29 May, 29 August and 29 November each year. The final interest payment is due on the Final Redemption Date. 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).  |
| <b>Final Redemption Date:</b>           | 29 May 2022, at which date the Issuer shall redeem all outstanding Bonds at the Nominal Amount together with accrued but unpaid Interest.   |



**The right to receive payments under the Bonds:**

Payment of the Nominal Amount and interest shall be made to the person who is registered in the securities register (Sw. *skuldbok*) as bondholder on each Interest Payment Date for the preceding Interest Period.

**Decisions by bondholders**

The Bonds entitle bondholders representing at least 10 per cent. to request a decision of the bondholders. Such decisions are rendered by way of a Holders' Meeting or a Written Procedure, as decided by the Agent. Valid decisions require the consent of bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which bondholders are voting and a quorum of 20 per cent. In respect of certain matters however, a qualified majority of at least two thirds (2/3) of the Bonds represented at the meeting and a quorum of 50 per cent. is required for a resolution to be passed.

**Final Redemption:**

The Issuer shall redeem all outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest, unless previously redeemed in accordance with section 11.3 "*Early voluntary redemption by the Issuer (call option)*" or terminated in accordance with section 14 "*Termination of the Bonds*" in the Terms and Conditions.

**Early voluntary redemption by the Issuer (call option):**

The Issuer may choose to redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at a redemption price equal to the applicable Call Option Price together with accrued but unpaid Interest (see further section 11.3 "*Early voluntary redemption by the Issuer (call option)*" in the Terms and Conditions).

**Equity Claw-Back**

The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 35 per cent. of the total Nominal Amount, against (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and (ii) accrued but unpaid Interest on the repaid amount.

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

In the case of a Change of Control Event or Listing Failure, each bondholder has the right to request that all, but not only some, of its Bonds are repurchased at an amount corresponding to 101.00 per cent. of the Outstanding Nominal Amount of each Bond together with accrued but unpaid Interest (see further section 11.5 "*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*" in the Terms and Conditions).

**Time-bar:**

The right to receive repayment of the Nominal Amount shall be time-barred and become void ten (10) years from the relevant redemption date.

The right to receive payment of Interest shall be time-barred and become void three (3) years from the relevant due date for payment.

**Restrictions on trade:**

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

**Agent:**

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

The Agent is 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. 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 subject to the terms of 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.

An agreement has been entered into between the Agent and the Company regarding, *inter alia*, the remuneration payable to the Agent. The Agent agreement is available at the Agent's office. The rights and obligations of the Agent are set forth in the Terms and Conditions.

**Rating:**

The Bonds have not been assigned an official credit rating by any credit rating agency.

**Listing of the Bonds on the corporate bond list on Nasdaq Stockholm:**

The Company intends to apply for listing 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 300. Admission of the Bonds to trading on Nasdaq Stockholm is expected to occur shortly after Nasdaq Stockholm's approval of the abovementioned application for listing. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved.

**Securities register (Sw. *skuldbok*) and financial institution (Sw. *finansiellt institut*) through which the bondholders can exercise their financial rights:**

The Bonds are connected to the account-based system of Euroclear Sweden. Holdings of the Bonds are registered on behalf of the bondholders on a securities account and no physical Bonds have, or will be, issued. The bondholders' financial rights such as payments of the Nominal Amount and Interest, as well as, if applicable, withholding of preliminary tax will be made by Euroclear Sweden.

**Governing law:**

The Bonds have been issued in accordance with Swedish law.

**Listing costs:**

Cost and expenses incurred by the Company in connection with the listing of the Bonds such as expenses for admission to trading in relation to the Swedish Financial Supervisory Authority and Nasdaq Stockholm (excluding Nasdaq Stockholm's annual fee) as well as fees to advisors is estimated to be approximately SEK 300,000.

## 5 The Group and its operations

### Introduction

Leax is a privately held manufacturer of mechanical components, subsystems and customized gearboxes for the heavy vehicle industry, mining and construction industries and other engineering industries, with a customer base including several tier-one industry companies. The Group is organized in three core business areas: Engines & Transmission, General Industry and Propeller Shaft. The sales departments are decentralised to each business area, with responsible sales managers and key account managers. The sales manager for General Industry is located in Hungary while the sales managers for Engine & Transmission and Propeller Shafts are located in Sweden. All sales are conducted directly to the end customer with no distribution agreements.

Since its inception in 1982, Leax has grown to over 1,200 employees with production in 10 factories in three continents. The Group has remained family owned with the majority owners still highly involved in the business. Leax operates in an attractive part of the value chain with a high degree of mutual dependency with its large scale original equipment manufacturer customers.

Leax's vision is to become the world's most admired supplier of advanced machining and industrialization.

### Target market segments

#### *Commercial Vehicles*

Commercial Vehicles is currently Leax's largest business segment, accounting for approximately 59 per cent. of its revenue during July 2016–June 2017.<sup>2</sup> Leax specialises in symmetrical rotation geometrics such as shafts, gears and other powertrain components. Main customers within the segment include Scania CV, Volvo Powertrain, MAN and Meritor. The largest site within Commercial Vehicles is the Falun factory.

#### *General Industry*

General Industry is Leax's second largest business segment, accounting for approximately 24 per cent. of its revenues during July 2016–June 2017.<sup>3</sup> The customers in this segment are mainly active within general engineer and/or heavy industry and main customers in the segment include SKF and ABB. Leax has a flexible capacity and is able to do most works within machine cutting including grinding, turning, milling, cog machining and also heat and surface treating. Leax offers a one-stop solution with production of both standardized high volume products and low volume, more custom made products.

#### *Mining and Construction*

Mining and construction is Leax's third largest business segment, accounting for approximately 7 per cent. of its revenues during July 2016–June 2017.<sup>4</sup> Products within Mining and Construction are subject of high demands on durability, requiring significant knowledge and experience throughout the manufacturing process. Customers include several Swedish tier one original equipment manufacturers such as Sandvik, Atlas Copco and Volvo Construction Equipment.

#### *Agriculture*

Agriculture is Leax's fourth largest market business segment, accounting for 6 per cent. of its revenues during July 2016–June 2017.<sup>5</sup> Leax is specialized in driveline components with flexibility to provide low and high volume parts. Flexibility to supply not only components but also combined parts is a key demand from customers in the agriculture segment. Customers include CLAAS and Väderstad.

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<sup>2</sup> Source: Unaudited information from the Company.

<sup>3</sup> Source: Unaudited information from the Company.

<sup>4</sup> Source: Unaudited information from the Company.

<sup>5</sup> Source: Unaudited information from the Company.

### ***Automotive***

Automotive is currently Leax's smallest segment, accounting for about 4 per cent. of its revenues during July 2016–June 2017.<sup>6</sup> The automotive segment is expected to increase its share of the Group's revenues significantly as a result of a major project together with a major European car manufacturer (see the section "*Investments*" below). As participants in the automotive industry shift their core competencies towards software and electrification, there is an opportunity for Leax to capture a larger part of the production process and add value throughout the engineering and design phases. Customers currently include Volvo Cars and GKN Driveline.

### **Investments**

The proceeds from the Bond Issue will, together with overdraft facilities, be used to finance significant investments in relation to two projects with a major European car manufacturer. The first project relates to development and production of gearboxes to electric cars. The gearboxes will be introduced on several platforms from 2019 and onwards. The second project concerns development and production of components reducing vibrations in diesel and gasoline fuelled cars (mass balancing system).

Apart from the investments described above Leax does not have any ongoing or future material investments and no material investments have been made since the date of publication of its last audited financial report.

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<sup>6</sup> Source: Unaudited information from the Company.

## 6 Selected historical financial information

Starting with the financial year ended 31 December 2017, the Group prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS). The figures for the financial year 2016 in the selected historical financial information below have been gathered from the Issuer's audited annual report for the financial year 2017, which have been recalculated into IFRS accounts using the accounting principles used in respect of the financial report for the financial year ended 31 December 2017. The consolidated annual report for the financial year 2017, including the recalculated figures for the financial year 2016, have been audited by the Company's auditor.

The information below shall be read together with Leax's annual reports for the financial years 2016 and 2017 which are incorporated by reference in this Prospectus (please refer to section 11 "Documents incorporated by reference" below). The consolidated annual reports for the financial years 2016 and 2017 have been audited by the Company's auditor. All reports are available on Leax's website, [www.leax.com](http://www.leax.com).

### The Group – Summary

#### CONSOLIDATED INCOME STATEMENTS

##### Consolidated income statement

| <b>1 January – 31 December</b>                           |              |              |
|--|--------------|--------------|
| <i>MSEK</i>  | <b>2017</b>  | <b>2016</b>  |
| <b>Operations</b>  |              |              |
| Revenue  | 1,628.3      | 1,391.0      |
| Other operating income                                   | 37.8         | 33.8         |
| Change in finished products and work in progress         | 6.6          | -3.5         |
| Activated work for own account                           | 9.3          | 5.0          |
| Raw materials and consumables                            | -811.5       | -655.0       |
| Other external costs                                     | -333.9       | -284.0       |
| Personnel expenses                                       | -415.5       | -365.0       |
| Depreciation and amortisation                            | -88.8        | -86.2        |
| Other operating expenses                                 | -31.2        | -16.6        |
| Revenue from associated companies                        | 18.4         | -0.7         |
| <b>Operating profit</b>                                  | <b>19.5</b>  | <b>18.8</b>  |
| <b>Net financial result</b>                              | <b>-15.4</b> | <b>-16.4</b> |
| <b>Profit before tax</b>                                 | <b>4.1</b>   | <b>2.3</b>   |
| Tax  | 11.2         | 9.3          |
| <b>Net profit for the period from ongoing operations</b> | <b>15.4</b>  | <b>11.7</b>  |
| <b>Discontinued operations</b>                           |              |              |
| Net income from discontinued operations                  | 84.9         | -17.9        |
| <b>Net income</b>  | <b>100.3</b> | <b>-6.2</b>  |
| Attributable to Company shareholders                     | 97.7         | -4.9         |
| Attributable to non-controlling interests                | 2.5          | -1.3         |

## Consolidated comprehensive income statement

1 January - 31 December

| <i>MSEK</i>  | 2017         | 2016        |
|--|--------------|-------------|
| <b>Net income</b>  | <b>100.3</b> | <b>-6.2</b> |
| <i>Other comprehensive income</i>  |              |             |
| <b>Items reallocated or possible to reallocate to the result of the period</b> |              |             |
| Differences on translation of foreign operations                               | 2.8          | 20.7        |
| <b>Other comprehensive income of the period</b>                                | <b>2.8</b>   | <b>20.7</b> |
| <b>Comprehensive income of the period</b>                                      | <b>103.1</b> | <b>14.5</b> |
| Attributable to Company shareholders   | 100.6        | 15.4        |
| Attributable to non-controlling interests                                      | 2.4          | -0.9        |
| <b>Comprehensive result of the period</b>                                      | <b>103.1</b> | <b>14.5</b> |

## CONSOLIDATED BALANCE SHEET

| <i>MSEK</i>                               | 2017-12-31     | 2016-12-31     | 2016-01-01*    |
|---|----------------|----------------|----------------|
| <i>Assets</i>                             |                |                |                |
| Intangible assets                         | 17.4           | 5.7            | 35.3           |
| Tangible assets                           | 494.5          | 508.0          | 524.7          |
| Participations in associated companies    | 30.4           | 12.0           | 14.4           |
| Deferred tax asset                        | 43.0           | 36.8           | –              |
| Long-term receivables                     | 5.4            | 2.1            | 4.5            |
| Other financial assets                    | 10.2           | 0.7            | 3.5            |
| <b>Total fixed assets</b>                 | <b>601.0</b>   | <b>565.1</b>   | <b>582.3</b>   |
| Inventories                               | 229.0          | 217.1          | 247.9          |
| Accounts receivables                      | 266.8          | 196.9          | 237.5          |
| Deferred tax assets                       | 21.7           | 28.0           | 24.6           |
| Other current receivables                 | 38.1           | 5.6            | 9.4            |
| Prepaid expenses and accrued income       | 24.2           | 16.8           | 16.4           |
| Cash and cash equivalents                 | 24.5           | 5.7            | 12.7           |
| Assets held for sale, current             | –              | 161.5          | –              |
| <b>Total current assets</b>               | <b>604.3</b>   | <b>631.5</b>   | <b>548.5</b>   |
| <b>Total assets</b>                       | <b>1,205.3</b> | <b>1,196.6</b> | <b>1,130.8</b> |
| <i>Equity</i>                             |                |                |                |
| Shareholder equity                        | 1.0            | 1.0            | 1.0            |
| Reserves                                  | 23.2           | 20.3           | –              |
| Retained earnings                         | 244.2          | 174.0          | 178.9          |
| <b>Total equity</b>                       | <b>274.8</b>   | <b>195.9</b>   | <b>182.8</b>   |
| Attributable to Company shareholders      | 268.4          | 195.3          | 179.9          |
| Attributable to non-controlling interests | 6.4            | 0.6            | 2.9            |
| <i>Liabilities</i>                        |                |                |                |

|   |                |                |                |
|---|----------------|----------------|----------------|
| Long-term liabilities, interest bearing     | 466.6          | 466.0          | 572.2          |
| Long-term liabilities, non-interest bearing | –              | 9.2            | 12.8           |
| Deferred tax liabilities                    | 19.8           | 29.5           | 13.0           |
| <b>Total long-term liabilities</b>          | <b>486.4</b>   | <b>504.7</b>   | <b>598.0</b>   |
| Current liabilities, interest bearing       | 111.2          | 98.3           | 91.6           |
| Prepayments from customers                  | 10.7           | 5.5            | 0.2            |
| Accounts payable                            | 210.4          | 155.9          | 157.1          |
| Liabilities to associated companies         | 11.2           | 8.2            | 0.7            |
| Tax liabilities                             | 0.7            | 6.5            | 8.3            |
| Other current liabilities                   | 27.9           | 37.3           | 33.7           |
| Accrued liabilities and deferred income     | 71.8           | 57.3           | 58.6           |
| Liabilities for assets held for sale        | –              | 127.0          | –              |
| <b>Total current liabilities</b>            | <b>444.0</b>   | <b>496.0</b>   | <b>350.0</b>   |
| <b>Total liabilities</b>                    | <b>930.5</b>   | <b>1 000.7</b> | <b>948.0</b>   |
| <b>Total equity and liabilities</b>         | <b>1,205.3</b> | <b>1,196.6</b> | <b>1,130.8</b> |

\* Upon transition from K3 to IFRS, the balance sheet was calculated for both the opening balance (*i.e.* 2016-01-01) and for the closing balance (*i.e.* 2016-12-31). The reason for including the opening balance is to increase the transparency and the ability for potential investors and other stakeholders to track the financial performance over time.

## CONSOLIDATED CASH FLOW STATEMENT

### 1 January - 31 December

| <i>MSEK</i>  | 2017        | 2016          |
|--|-------------|---------------|
| <i>Cash flow from operating activities</i>                                   |             |               |
| Profit before taxes  | 4.1         | 2.3           |
| Non cash adjustments   | 71.8        | 70.1          |
| Income taxes paid  | -5.2        | 2.3           |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>70.8</b> | <b>74.7</b>   |
| <b>Change in net working capital</b>   |             |               |
| Change in inventories  | -11.9       | 30.8          |
| Change in accounts receivables   | -109.9      | 44.1          |
| Change in accounts payable   | 58.7        | 14.0          |
| <b>Cash flow from operating activities</b>                                   | <b>7.7</b>  | <b>163.6</b>  |
| <i>Cash flow from investing activities</i>                                   |             |               |
| Investment in tangibles  | -91.7       | -53.0         |
| Sale of tangible assets  | 4.6         | 6.5           |
| Investment in intangibles  | -4.1        | -3.6          |
| Divestment of discontinued operations  | 103.1       | –             |
| Investment in financial assets   | -13.5       | –             |
| Sale of financial assets   | –           | -1.1          |
| <b>Cash flow from investing activities</b>                                   | <b>-1.6</b> | <b>-51.2</b>  |
| <i>Cash flow from financing activities</i>                                   |             |               |
| New loans  | 129.7       | 76.6          |
| Amortisation of debt   | -116.1      | -176.2        |
| Dividends to non-controlling interests                                       | -0.8        | -1.4          |
| <b>Cash flow from financing activities</b>                                   | <b>12.8</b> | <b>-100.9</b> |



|  |             |              |
|--|-------------|--------------|
| <b>Net cash flow from discontinued operations</b>      | -           | <b>-18.5</b> |
| Change in cash and equivalents                         | 18.9        | -7.1         |
| Cash and cash equivalents at the beginning of the year | 5.7         | 12.7         |
| <b>Cash and cash equivalents at end of year</b>        | <b>24.5</b> | <b>5.7</b>   |

## 7 Board of directors, senior management and auditor

The business address for all members of the board of directors and the senior management of the Issuer is Nya Hamnvägen 4, SE-731 36 Köping, Sweden.

### Board of directors

#### Lars Davidsson (chairman)

*Born:* 1959

*Other current assignments:* Rone Bryggeri Handelsbolag (partner), Advokatfirman Lars Davidsson Aktiebolag (member of the board), Lada Advokat AB (member of the board), Rot-Us Invest AB (member of the board), Ulrikas Kickstart AB (member of the board), Advokatfirman Monica Petersson AB (deputy member of the board) and The Diet Shop Sweden AB (deputy member of the board).

*Shareholding:* 2,500 shares.

#### Roger Berggren (member of the board)

*Born:* 1968

*Other current assignments:* Rot-Us Invest AB (chairman of the board), SEJFO Holding AB (chairman of the board), Köpingehus AB (member of the board), Mabema AB (member of the board), Sparbanken Västra Mälardalen (member of the board), Arvika Gjuteri AB (member of the board), Almi Företagspartner Mälardalen AB (member of the board), Swedish Powertrain AB (member of the board), Svevik Industri AB (member of the board) and Spinnfast AB (member of the board).

*Shareholding:* 57,110 shares directly and 2,717 shares through the intermediate companies LB Konsult i Köping AB and Köpingehus AB.

#### Dana Dobrin (member of the board)

*Born:* 1952

*Other current assignments:* Dana Dobrin AB (CEO and chairman of the board).

*Shareholding:* 100 shares.

#### Jonas Lundgren (member of the board)

*Born:* 1971

*Other current assignments:* OakBridge AB (member of the board).

*Shareholding:* 50 shares.

#### Bent Wessel-Aas (member of the board)

*Born:* 1952

*Other current assignments:* None

*Shareholding:* 300 shares.

#### Lars Wrebo (member of the board)

*Born:* 1961

*Other current assignments:* AQ Group AB (publ) (member of the board).

*Shareholding:* 1,500 shares.

## Senior management

### **Henrik Fagrenius**

President and CEO

*Other current assignments:* Swedish PowerTrain Techcenter AB (chairman of the board), Swedish Powertrain AB (member of the board) and IndustriQompetens Mälardalen AB (deputy member of the board).

*Shareholding:* 3,000 shares.

### **Tobias Hägglov**

CFO

*Other current assignments:* None

*Shareholding:* 50 shares.

Tobias Hägglov will quit his employment as CFO of the Company in October 2018. As at the date of this Prospectus, the Company is searching for a replacer.

### **Joakim Sandberg**

Executive Vice President LEAX Group, BA Manager Engine & Transmission

*Other current assignments:* None

*Shareholding:* 250 shares.

### **Peter Luberts**

Executive Vice President LEAX Group, BA Manager General Industry

*Other current assignments:* IndustriQompetens Mälardalen AB (chairman of the board) and Rot-Us Invest AB (deputy member of the board).

*Shareholding:* 4,945 shares.

### **Hans Jansson**

Executive Vice President LEAX Group, BA Manager Propeller Shaft

*Other current assignments:* Arvika Gjuteri AB (member of the board) and Rot-Us Invest AB (member of the board).

*Shareholding:* 725 shares.

### **Frank Johansen**

Executive Vice President, New Business & Innovation

*Other current assignments:* Gösta Gustafssons Mekaniska Verkstad Aktiefbolag (chairman of the board), GMEK Förvaltning AB (chairman of the board), Swedish PowerTrain Techcenter AB (member of the board), Rot-Us Invest AB (member of the board) and Funhjo AB (deputy member of the board).

*Shareholding:* 1,000 shares.

## Auditor

Jimmy Nybom at Grant Thornton Sweden AB has been the Company's auditor since 2015. Jimmy Nybom is an authorized public accountant and a member of FAR (professional institute for authorised public accountants). Jimmy Nybom's office address is c/o Grant Thornton Sweden AB, Slottsgatan 27, 722 11 Västerås, Sweden. Jimmy Nybom has been auditor throughout the entire period which the historic financial information in this Prospectus covers.

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

## **Board committees**

The board of directors has not established any committees. Relevant duties are carried out by the board of directors as a whole.

## **The Company and corporate governance rules**

The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Company. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

Since the Company's shares or depository receipts are not admitted to trading on a regulated market, the Company is not in scope of the Swedish Code of Corporate Governance (Sw. *svensk kod för bolagsstyrning*) (the "Code") and does therefore not apply the Code. The Company does, however, comply with the rules on corporate governance set out in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*).

## **Conflicts of interests within the board of directors and senior management**

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 Group.

Although there are currently no conflicts of interest, it cannot be excluded that 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 Group.

## **Interest of natural and legal persons involved in the Bond Issue**

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

## **Financial interests**

Several members of the board of directors and the senior management of the Company have a financial interest in the Group through their, direct and indirect, holdings of shares as set out in section "Board of directors, senior management and auditor" above.

## 8 Articles of association

The English text is a translation of the Swedish original version. In the event of conflict between the English and the Swedish text, the Swedish text shall prevail.

The articles of association were adopted at the annual shareholders' meeting on 22 March 2018.

### § 1 Bolagets firma / *The company's name*

Bolagets firma är LEAX Group AB. Bolaget är publikt (publ).

*The company's name is LEAX Group AB. The company is public (publ).*

### § 2 Säte / *Seat of the company*

Styrelsen ska ha sitt säte i Köpings kommun, Västmanlands län.

*The board of directors shall have its seat in Köping municipality, Västmanland county.*

### § 3 Verksamhet / *Object of the company*

Bolaget skall äga och förvalta aktier i svenska och utländska företag och därmed förenlig verksamhet.

*The company shall own and administer shares in Swedish and foreign companies, and conduct other activities compatible therewith.*

### § 4 Aktiekapital / *Share capital*

Aktiekapitalet skall vara lägst 1 000 000 kronor och högst 4 000 000 kronor.

*The minimum share capital of the company shall be SEK 1,000,000 and the maximum share capital shall be SEK 4,000,000.*

### § 5 Antal aktier / *Number of shares*

Antalet aktier skall vara lägst 250 000 och högst 1 000 000.

*The number of shares shall be not less than 250,000 and not more than 1,000,000.*

### § 6 Styrelse / *Board of directors*

Styrelsen ska bestå av lägst tre (3) och högst sju (7) styrelseledamöter med högst fyra (4) suppleanter.

*The board of directors shall consist of not less than three (3) and not more than seven (7) members. There shall not be more than four (4) alternate directors.*

Val av styrelseledamot och styrelsesuppleant gäller för tiden från årsstämman på vilken de utsetts intill slutet av nästa årsstämma.

*The appointment of the board directors and their alternates is in effect during a term running from the annual general meeting on which they appointed until the closing of the following annual meeting.*

### 7 § Revisor / *Auditor*

För granskning av aktiebolagets årsredovisning jämte räkenskaperna samt styrelsens och verkställande direktörens förvaltning skall utses en (1) revisor med eller utan revisorssuppleant.

*To review of the company's annual financial report and accounting records, as well as the administration of the managing director, one (1) auditor shall be appointed, with or without a deputy auditor.*

### 8 § Bolagsstämma / *General meeting*

Kallelse till bolagsstämma ska ske genom annonsering i Post- och Inrikes Tidningar och samt genom att kallelsen hålls tillgänglig på bolagets webbplats. Vid tidpunkten för kallelse ska information om att kallelse har skett annonseras i Dagens Nyheter.

*Notices convening a general meeting shall be announced in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website. At the same time, it shall be announced in Dagens Nyheter that a notice to a general meeting has been made.*

Kallelse till ordinarie bolagsstämma samt kallelse till extra bolagsstämma där fråga om bolagsordningen kommer att behandlas ska utfärdas tidigast sex veckor och senast fyra veckor före stämman. Kallelse till annan extra bolagsstämma ska utfärdas tidigast sex veckor och senast två veckor före stämman.

*Notices convening an annual general meeting and notices convening an extraordinary general meeting in which amendment in the articles of association is proposed shall be announced not earlier than six weeks (6) and not later than four (4) weeks before the meeting. Notices to other general meetings shall be announced not earlier than six (6) and not later than two (2) weeks before the meeting.*

## **9 § Ärenden på årsstämman / Agenda on the annual general meeting**

På årsstämman skall följande ärenden förekomma till behandling:

*The following matters shall be addressed at the annual general meeting:*

1. Val av ordförande vid stämman  
*Appointment of chairman of the meeting*
2. Upprättande och godkännande av röstlängd  
*Preparation and approval of voting list*
3. Val av en eller två justeringsmän  
*Appointment of one or two persons to approve the minutes*
4. Prövning av om stämman blivit behörigt sammankallad  
*Examination of whether the meeting has been duly convened*
5. Godkännande av dagordning  
*Approval of the agenda*
6. Framläggande av årsredovisningen och revisionsberättelse samt i förekommande fall koncernredovisning och koncernrevisionsberättelse  
*Presentation of the annual report and the audit report and, if applicable, the group accounts and the audit report on the group accounts*
7. Beslut angående:  
*Resolutions on:*
  - a. fastställelse av resultaträkning och balansräkning samt i förekommande fall koncernresultaträkning och koncernbalansräkningen  
*adoption of the profit and loss statements and the balance sheet and, if applicable, the group profit and loss statements and the group balance sheet*
  - b. dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen samt i förekommande fall den fastställda koncernbalansräkningen  
*allocation of the company's profits or losses in accordance with the adopted balance sheet and, if applicable, the adopted group balance sheet*
  - c. ansvarsfrihet åt styrelsens ledamöter och verkställande direktören  
*discharge from liability of the members of the board of directors and the managing director*
8. Fastställande av arvoden åt styrelse och revisor  
*Determination of compensation to the board of directors and the auditor*
9. Val av:  
*Appointment of:*
  - a. styrelse och eventuella styrelsesuppleanter  
*the board of directors and, if applicable, alternate directors*
  - b. revisorer och eventuella revisorssuppleanter när så skall ske  
*auditors and, if applicable, deputy auditors*
10. Annat ärende, som ankommer på årsstämman enligt aktiebolagslagen (2005:551) eller bolagsordningen.  
*Any other matter which is incumbent upon the general meeting under the Swedish Companies Act or the articles of association*

## **§ 10 Räkenskapsår / *Financial year***

Bolagets räkenskapsår ska vara kalenderår.

*The financial year of the company shall be the calendar year.*

## **§ 11 Hembud / *Pre-emption rights***

### **Hembudsskyldighet**

Har aktie övergått från aktieägare till ny ägare, har övriga aktieägare rätt att lösa aktien. Förvärvaren av aktien skall genast skriftligen anmäla förvärvet av aktien till bolagets styrelse och styrka sitt förvärv. När anmälan om akties övergång gjorts, skall styrelsen genast meddela detta till varje lösningsberättigad vars postadress är känd för bolaget, med anmodan att skriftligen framställa lösningsanspråk hos bolaget senast efter två månader räknat från anmälan hos styrelsen om aktiens övergång.

### ***Pre-emption rights***

*If title to a share have been transferred from an existing shareholder to another person not previously holding shares in the company, the other existing shareholders of the company shall have the right to purchase the transferred shares by way of pre-emption. The acquirer of the shares shall immediately give written notice of the acquisition to the company's board of directors and verify the acquisition. When such notice have been made, the board of directors shall immediately notify all shareholders with pre-emption rights and whose post addresses are known to the company, with request to present a written pre-emption claim to the company not later than two months from the written notice of the share transfer was received by the board of directors.*

### **Företräde mellan flera lösningsberättigade**

Anmäler sig fler än en lösningsberättigad, skall samtliga aktier så långt som möjligt fördelas mellan de lösningsberättigade i förhållande till deras tidigare innehav av aktier i bolaget. Återstående aktier fördelas genom lotning av bolagets styrelse eller, om lösningsberättigad begär det, av notarius publicus.

### ***Principles of allocation among several shareholders with pre-emption claims***

*If several shareholders submit pre-emption claims, the shares shall, to the extent possible, be allocated between them on a pro rata basis in relation to their previous holding of shares in the company. The remaining shares shall be allocated by lottery administered by the board of directors or, by request of any shareholder with a pre-emption claim, by a notary public.*

### **Lösenbelopp och betalning**

Har aktie som är underkastad lösningsrätt överlåtits mot vederlag, skall lösenbeloppet motsvara vederlaget, om inte särskilda skäl föranleder annat. Har vederlag inte lämnats för aktien, skall lösenbeloppet, i brist på överenskommelse, bestämmas i den ordning som anges nedan. Lösenbeloppet skall erläggas inom en månad från den tidpunkt lösenbeloppet blev bestämt. Har aktie överlåtits mot vederlag, skall lösenbeloppet erläggas senast en månad räknat från utgången av den tid vilken lösningsanspråk skall framställas hos styrelsen.

### ***Purchase price and payment***

*If the shares subject of pre-emption rights have been transferred against consideration, the purchase price shall be an equivalent amount, if there are no particular reasons for another scheme. If no consideration has been given for the shares, the purchase price shall, subject to any agreement, be determined in accordance with below. The payment shall be made within one month from the date of which the purchase price was determined. If shares have been transferred against consideration, the payment shall be made not later than one month after the end of the time period during which the board of directors accepted pre-emption claims.*

### **Tvist**

Tvist om lösningsrätt och om lösenbeloppets storlek prövas i allmän domstol.

### ***Dispute settlement***

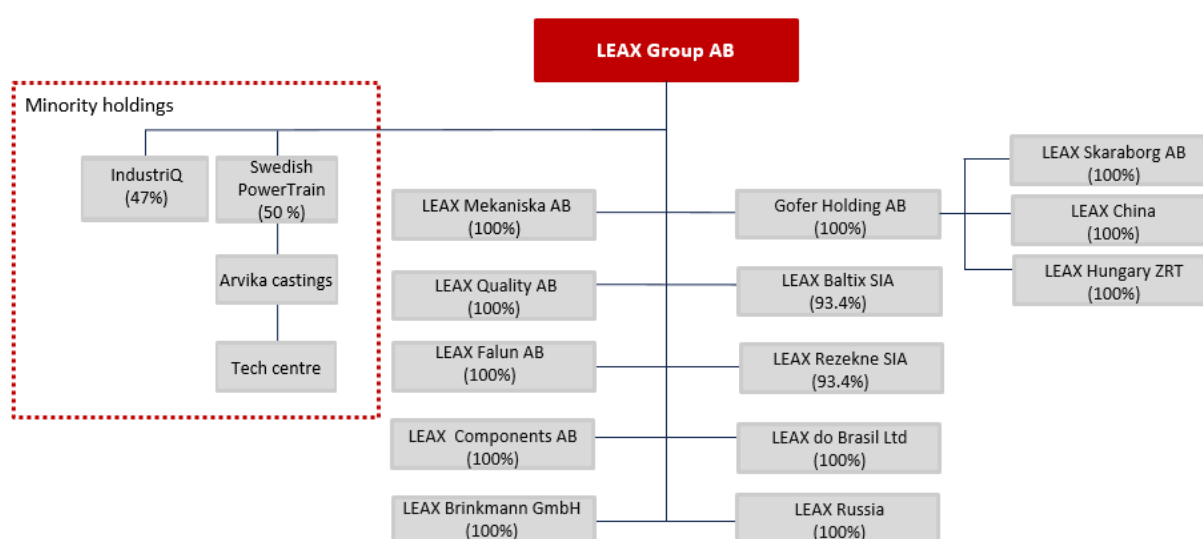
*Any dispute on pre-emption rights or the purchase amount shall be resolved in public court.*

## 9 Legal considerations and supplementary information

### Legal group structure

Leax Group AB (publ) is a public limited liability company registered in Sweden with registration number 556658-4479 having its registered address at Nya Hamnvägen 4, SE-731 36 Köping, Sweden. The Company was registered with the Swedish Companies Registration Office on 26 March 2004 and 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 is the parent company of the Group, which consists of 13 subsidiaries set out below. The Company acts as a holding company in relation to its subsidiaries and is thus dependent on its subsidiaries.



### Share capital and major shareholders

The Company's share capital amounts to SEK 1,007,500 and is divided on 251,875 ordinary shares. All of the Company's shares are of the same share class and there is no difference in voting power among the shares. On 31 March 2018 the Company had 41 shareholders. The eleven largest shareholders are set out in the table below.

| Name                               | Shares (no)    | Shares (%)    |
|------------------------------------|----------------|---------------|
| 1. Roger Berggren                  | 57,110         | 22.67         |
| 2. Jan Berggren                    | 52,250         | 20.74         |
| 3. Peter Seger                     | 50,750         | 20.15         |
| 4. Robert Seger                    | 49,250         | 19.55         |
| 5. Lars Liljeberg                  | 10,520         | 4.18          |
| 6. Köpingshus AB*                  | 9,225          | 3.66          |
| 7. Peter Luberts                   | 4,945          | 1.96          |
| 8. Henrik Fagrenius                | 3,000          | 1.19          |
| 9. Lars Davidsson                  | 2,500          | 0.99          |
| 10. Lars Gustafsson                | 1,500          | 0.60          |
| 11. LB Konsult i Köping AB**       | 1,500          | 0.60          |
| <b>Total, largest shareholders</b> | <b>242,550</b> | <b>96.30</b>  |
| Other shareholders                 | 9,325          | 3.70          |
| <b>Total</b>                       | <b>251,875</b> | <b>100.00</b> |

Source: according to information from the Company.

\* Köpingshus AB is held jointly by Roger Berggren, Jan Berggren, Peter Seger and Robert Seger.

\*\* LB Konsult i Köping AB is held jointly by Roger Berggren and Jan Berggren.

The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Company. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act.



## Shareholder agreements

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.

## Material agreements of the Group etc.

The Group has entered into senior secured credit facility agreements with the following financiers. As of 30 June 2018 approximately SEK 230,000,000 of the total borrowing limit had been utilised. However, the Company intends to terminate the credit facility agreement with Swedbank China within a couple of months.

| <b>Financiers</b>     | <b>Borrowing limit</b> |
|-----------------------|------------------------|
| Danske Bank           | SEK 300,000,000        |
| Swedbank China        | SEK 22,000,000         |
| Handelsbanken Latvia  | SEK 20,000,000         |
| Handelsbanken Latvia  | SEK 20,000,000         |
| Handelsbanken Germany | SEK 20,000,000         |
| Raiffeisen Bank       | SEK 20,000,000         |

As a result of the security granted under the senior secured credit facility agreements, the bondholders will be subordinated in right of payment out of the assets being subject to security. Moreover, a potential enforcement of such security by any of the third party financiers set out above due to a default by the Group under the relevant finance document, could have a material adverse effect on the bondholders' recovery under the Bonds.

The Group has in the ordinary course of business also entered into several capital expenditure credit facility agreements and finance leases with Swedbank, Raiffeisen Bank, CHG, Handelsbanken Latvia, Handelsbanken Germany, SPK, DMG, AKF and Sparbanken Västra Mälardalen. It should be noted that the Bonds are subordinated also in relation to such debts.

Other than as set out above, no Group company is party to any material agreement outside the ordinary course of business, which could result in such company having a right or an obligation that could materially affect the Company's ability to meet its obligations to the bondholders.

## Disputes

The Company is not, and has not been, party to any legal or arbitration proceedings during the last 12 months which may have, or have had, significant effects on the Company's or the Group's financial condition or profitability.

## Documents available for inspection

The Issuer's (i) articles of association, (ii) certificate of registration, (iii) annual reports for the financial years 2016 and 2017, including auditors' reports, for all Group companies and other published information referred to in this Prospectus are available for inspection during office hours at the Issuer's head office at Nya Hamnvägen 4, Köping, Sweden.

## 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 or market position of the Group since the end of the last financial period for which financial information has been published.

Other than the issuance of the Bonds on 29 May 2018, there have been no recent events particular to the Company, which are to a material extent relevant to the evaluation of its solvency.

## **Tendencies**

The general market tendencies are difficult to project, but Leax will strive for continued growth through new deals and acquired businesses. The Group aims for long-term growth and more presence globally by taking shares on existing and new markets. The Group intends to grow organically and through acquisitions of and establishment of new operations.

There is a general trend among the Group's customers of increased focus to reduce carbon dioxide emissions by more fuel-efficient end products and/or use of renewable fuel sources.

Leax has co-engineered and manufactured gearboxes for electric buses, leveraging this capability creates an opportunity to take a leading role in this part of electrification of vehicles. In addition, Leax is currently involved in a project with a major European car manufacturer to develop gearboxes for fully electrified passenger cars.

## 10 Certain tax issues in Sweden

*The following is a summary of certain tax issues that may arise as a result of acquiring, holding and selling the Bonds. The summary is based on Swedish tax legislation in force at the date of this Prospectus. The summary does not cover all possible tax issues that may arise and is intended only as general information. As an example this summary does not cover any reporting requirements for a party paying interest. The summary also does not cover Bonds held by partnerships (Sw. handelsbolag) or defined as a current asset in a business activity. Furthermore this summary does not cover holdings on investment savings accounts (Sw. investeringssparkonton) which are subject to a standardized taxation. Certain tax rules also apply to certain investors, such as investment companies and insurance companies. The taxation of each investor depends on the specifics of such investor. Every investor in the Bonds should consult tax advisers in order to receive information on the specific tax issues in relation to its particular case, including the application and effects of foreign or other rules and tax treaties.*

### Holders of Bonds which are non-resident in Sweden

With bondholders which are non-resident in Sweden is meant (a) a natural person who is not tax resident in Sweden and has no other connection to Sweden apart from his or hers investment in the Bonds, or (b) a company which is not registered in Sweden or, if no registration has been made, which is not due to any other circumstance to be considered as a Swedish legal person.

Repayments and payments of interest to a bondholder which is non-resident in Sweden is not subject to Swedish income tax provided the bondholder is not engaged in any business conducted from a permanent establishment in Sweden to which the holding of Bonds relates.

Swedish withholding tax is not applicable to repayments or payment of interest to bondholders which are non-resident in Sweden.

Capital gains which may occur when a bondholder which is non-resident in Sweden divests Bonds are not subject to Swedish capital gains tax provided the bondholder is not engaged in any business conducted from a permanent establishment in Sweden to which the holding of Bonds relates.

In accordance with a specific tax rule natural persons who are not tax resident in Sweden may be subject to Swedish capital gains tax when divesting certain financial instruments, subject to the classification of the instrument, if the person at any time during the calendar year in which the divestment occurs or during any of the ten years prior to the divestment has been resident or lived permanently in Sweden. The applicability of this rule may however be limited by an applicable tax treaty between Sweden and other countries.

### Holders of Bonds which are resident in Sweden

With bondholders which are resident in Sweden is meant (a) a natural person who is tax resident in Sweden, or (b) a company which is registered in Sweden or, if no registration has been made, which is due to any other circumstance to be considered as a Swedish legal person.

Payment of interest to bondholders resident in Sweden is generally subject to Swedish income tax. bondholders resident in Sweden are also subject to Swedish income tax on capital gains in connection with any divestment of the Bonds. Early redemption or repayment of Bonds are tax wise treated as a divestment. Redemption of the nominal value of the Bonds is not subject to Swedish income tax.

Swedish withholding tax is not applicable to repayment or payment of interest to bondholders resident in Sweden. On any payment of interest to bondholders resident in Sweden who are natural persons (or estates of a deceased person) a preliminary tax of 30 percent is withheld. The preliminary tax is normally withheld by Euroclear Sweden or, in the case of nominee bondholders (Sw. *förvaltarregistrerade obligationer*), by the nominee.

## 11 Documents incorporated by reference

The financial information regarding the Group and its business for the financial year ended 31 December 2016 was prepared in accordance with the Swedish Annual Accounts Act (*Sw. Årsredovisningslagen*) and the general guidelines BFNAR 2012:1 (K3), issued by the Swedish Accounting Standards Board (*Sw. Bokföringsnämnden*). The Group has since then changed its accounting principles to IFRS, issued by the International Accounting Standards Board (IASB), and the financial information regarding the Group and its business for the financial year ended 31 December 2017 was prepared in accordance therewith and the Swedish Annual Accounts Act. Explanations of how the transition to IFRS has affected the Group's financial reporting are stated in Leax's annual and consolidated annual report for the financial year ended 31 December 2017.

The Company's annual and consolidated annual reports for the financial years 2016 and 2017 have been incorporated in this Prospectus by reference. The annual and consolidated annual reports have been audited by the Company's auditor and the audit reports have been incorporated in this Prospectus through the annual and consolidated annual reports for the financial years 2016 and 2017.

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

| Reference  | Document   | Page(s)  |
|--|--|--|
| Financial information regarding the Group and its business for the financial year ended 31 December 2016 | Leax's annual and consolidated annual report for the financial year ended 31 December 2016 | <ul style="list-style-type: none"> <li>- 1–5 (Administration report)</li> <li>- 6 (Consolidated income statement)</li> <li>- 7 and 8 (Consolidated balance sheet)</li> <li>- 9 (Consolidated statement of changes in equity)</li> <li>- 10 (Consolidated cash flow statement)</li> <li>- 11 (Company's income statement)</li> <li>- 12 and 13 (Company's balance sheet)</li> <li>- 14 (Company's statement of changes in equity)</li> <li>- 15 (Company's cash flow statement)</li> <li>- 16–20 (Accounting principles and comments)</li> <li>- 21–32 (Notes)</li> </ul> |
| Audit report for the financial year ended 31 December 2016   | Audit report for the financial year ended 31 December 2016                                 | <ul style="list-style-type: none"> <li>- Appendix (Audit report)</li> </ul>  |
| Financial information regarding the Group and its business for the financial year ended 31 December 2017 | Leax's annual and consolidated annual report for the financial year ended 31 December 2017 | <ul style="list-style-type: none"> <li>- 26–29 (Administration report)</li> <li>- 30 (Consolidated income statements)</li> <li>- 31 (Group's consolidated statement of financial position)</li> <li>- 32 (Consolidated statement of changes in equity)</li> <li>- 33 (Consolidated cash flow statement)</li> <li>- 34–58 (Notes)</li> <li>- 59 (Company's income statement)</li> <li>- 60 (Company's balance sheet)</li> <li>- 61 (Company's statement of changes in equity)</li> <li>- 62 (Company's cash flow statement)</li> <li>- 63–69 (Notes)</li> </ul>           |

Audit report for the  
financial year ended  
31 December 2017

Leax's annual and  
consolidated  
annual report for  
the financial year  
ended  
31 December 2017

- 71–71 (Audit report)

Investors should read all information which is incorporated by reference as part of this Prospectus. It should be noted that the non-incorporated parts of the annual reports for 2016 and 2017 are either not relevant for the investor or covered elsewhere in the Prospectus.

The abovementioned reports are available in electronic form on the Company's web page <https://www.leax.com/sv/investerare/finansiella-rapporter-och-presentationer.html> and can also be obtained from the Company in paper format in accordance with the below.

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.

- The articles of association of the Company,
- All documents which by reference are a part of this Prospectus, and
- Historical financial information for the Company and its subsidiaries for the financial years 2016 and 2017.

## 12 Terms and Conditions

**TERMS AND CONDITIONS FOR  
LEAX GROUP AB (PUBL)  
SEK 300,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2018/2022  
ISIN: SE0011088954**

Issue Date: 29 May 2018

*The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are 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, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.*

**TERMS AND CONDITIONS FOR**  
**LEAX GROUP AB (PUBL)**  
**MAXIMUM SEK 500,000,000**  
**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS**  
**2018/2022**  
**ISIN: SE0011088954**

**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 Holder 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 aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, 103 90, Stockholm, Sweden.

“**Agent Agreement**” means the agreement entered into on or about the Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the Issue Date between the Issuer and an Agent.

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each representing the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

“**Bond Issue**” has the meaning set forth in Clause 2.1.

“**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.

“**Calculation Principles**” means the principles set forth in Clause 12.3 (*Calculation Principles*).

“**Call Option Price**” means

- (a) The Make Whole Price if the call option is exercised before the First Call Date;
- (b) 103.125 per cent. of the Outstanding Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling 30 months after the Issue Date;
- (c) 101.875 per cent. of the Outstanding Nominal Amount if the call option is exercised on or after the date falling 30 months after the Issue Date up to (but excluding) the date falling 36 months after the Issue Date;
- (d) 101.250 per cent. of the Outstanding Nominal Amount if the call option is exercised on or after the date falling 36 months after the Issue Date up to (but excluding) the date falling 42 months after the Issue Date;
- (e) subject to paragraph (f) below, 100.625 per cent. of the Outstanding Nominal Amount if the call option is exercised on or after the date falling 42 months after the Issue Date up to (but excluding) the Final Redemption Date; or
- (f) 100.00 per cent. of the Outstanding Nominal Amount if the call option is exercised on or after the date falling 45 months after the Issue Date up to (but excluding) the Final Redemption Date, provided that the full amount of the total outstanding Outstanding Nominal Amount of the Bonds are refinanced in full by way of the Issuer issuing Market Loan(s) in which the Holders shall have the possibility to participate by way of roll-over (however subject to the Issuer’s and the Issuing Agent’s decision on allocation).

“**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 one or more Persons (other than the Main Shareholders) acting together, acquire control over the Issuer and where “**control**” means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes 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.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the CFO, CEO or another signatory of the Issuer certifying (i) 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, (ii) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Leverage Ratio and (iii) if provided in connection with a Financial Report, including calculations and figures in respect of the Maintenance 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.

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

- (a) *before deducting* any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) *before deducting* any Net Finance Charges;
- (c) *minus* the interest expenses in respect of any lease or hire purchase contract which would, in accordance with the accounting principles applicable on the Issue Date, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability;
- (d) *before taking into account* any exceptional items (including any Transaction Costs) which are not in line with the ordinary course of business, provided that such items are not in excess of an amount equal to 10 per cent. of EBITDA in the Reference Period;
- (e) *before taking into account* any Transaction Costs;
- (f) *not including* any accrued interest owing to any Group Company;
- (g) *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;
- (h) *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);
- (i) *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; and
- (j) *after adding back* any amount attributable to the amortisation, depreciation or depletion of assets of Group Companies.

“**Equity Cure**” has the meaning set forth in paragraph (a) of Clause 12.4 (*Equity Cure*).

“**Equity Listing Event**” means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Final Redemption Date**” means 29 May 2022.

“**Finance Charges**” means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) without taking into account any Transaction Costs and/or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“**Finance Document**” means these Terms and Conditions, the Agent Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

“**Finance Lease**” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease).

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet the requirements for de-recognition under the Accounting Principles);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (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 (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)–(f).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a), (b), (f) and (g) of Clause 13.11.1.

“**First Call Date**” means the date falling 24 months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**Force Majeure Event**” has the meaning set forth in Clause 26.

“**Group**” means the Issuer and all of the Subsidiaries from time to time.

“**Group Company**” means each member of the Group.

“**Holder**” 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.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Incurrence Test**” has the meaning set forth in Clause 12.1 (*Incurrence Test*).

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

“**Interest Payment Date**” means 29 February, 29 May, 29 August and 29 November 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 (with the first Interest Payment Date on 29 August 2018 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**Interest Period**” means, in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date and, 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.

“**Investment Loans**” means (i) capital expenditure credit facilities of the Group Companies (other than the Issuer) and (ii) any Finance Leases.

“**Issue Date**” means 29 May 2018.

“**Issuer**” means Leax Group AB (publ), reg. no. 556658-4479, Nya Hamnvägen 4, 731 36 Köping, Sweden.

“**Issuing Agent**” means ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Leverage Ratio**” means the ratio of Net Interest Bearing Debt to EBITDA.

“**Leverage Ratio Maintenance Test**” has the meaning set forth in paragraph (a) of Clause 12.2.2.

“**Listing Failure**” means the situation where the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within 60 calendar days from the Issue Date.

“**Main Shareholders**” means the main shareholders as at the Issue Date, being Roger Berggren, Jan Berggren, Peter Seger and Robert Seger, their respective spouses or any of their direct heirs, by way of direct or indirect ownership of shares, and their respective Affiliates.

“**Maintenance Test**” has the meaning set forth in Clause 12.2 (*Maintenance Test*).

**“Make Whole Price”** means an amount equal to the sum of:

- (a) 103.125 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the remaining interest payments (excluding accrued but unpaid Interest up to and including the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders),

together with accrued but unpaid interest on the redeemed amount up to the relevant Redemption Date and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

**“Margin”** means 6.25 per cent. per *annum*.

**“Market Loan”** means any loan or other indebtedness where an entity issues commercial papers, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or recognised unregulated 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 Issuer’s ability or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions; or
- (c) the validity or enforceability of these Terms and Conditions.

**“Material Group Company”** means:

- (a) the Issuer; or
- (b) a Subsidiary representing more than 10.00 per cent. of either (i) the Total Assets (for the avoidance of doubt, excluding any intra-group transactions) or (ii) the net profit of the Group according to the latest consolidated Financial Report.

**“Minimum Liquidity”** means cash and cash equivalents of the Group, as shown in the consolidated balance sheet forming part of the most recent consolidated Financial Report plus any available commitments under the Group’s working capital facilities as of the relevant Reference Date.

**“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 Reference Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group.

**“Net Interest Bearing Debt”** means the aggregate interest bearing Financial Indebtedness of the Group:

- (a) excluding any such obligations to another Group Company;
- (b) less cash and cash equivalents of the Group in accordance with IFRS,

and so that no amount shall be included or excluded more than once.

**“Net Proceeds”** means the proceeds from the Bond Issue which, after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

**“Nominal Amount”** has the meaning set forth in Clause 2.1.

**“Outstanding Nominal Amount”** means the Nominal Amount less the amount of any repayments and amortisations made.

**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) incurred under any working capital facilities of the Group in an aggregate amount not exceeding SEK 380,000,000 at any time (or its equivalent in any other currency or currencies), provided that the incurrence of new working capital facilities or the refinancing of existing working capital facilities (excluding any roll-over of existing working capital facilities) meets the Incurrence Test on a *pro forma* basis;
- (c) incurred under any Investment Loans of the Group in an aggregate amount not exceeding SEK 200,000,000 at any time (or its equivalent in any other currency or currencies), provided that the incurrence of new Investment Loans or the refinancing of existing Investment Loans meets the Incurrence Test on a *pro forma* basis;
- (d) related to any agreements under which a Group Company leases commercial property (*Sw. hyresavtal för kommersiella fastigheter*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company’s business;
- (e) 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 or Financial Indebtedness incurred pursuant to paragraph (b) above, but not any transaction for investment or speculative purposes;
- (f) arising under any interest rate hedging transactions in the ordinary course of business or in respect of payments to be made under these Terms and Conditions or Financial Indebtedness incurred pursuant to paragraph (b) above, but not any transaction for investment or speculative purposes;
- (g) taken up from a Group Company;
- (h) incurred under (i) 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, or (ii) any other trade credit incurred in the ordinary course of business of the Group;
- (i) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds indebtedness, provided that the Incurrence Test is met, tested *pro forma* including the acquired entity in question;
  - (j) incurred by the Issuer under any Market Loan (other than the Bonds) if such Market Loan:
    - (i) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents; and
    - (ii) meets the Incurrence Test on a *pro forma* basis; and
    - (iii) has a final maturity date or a final redemption date and, if applicable, early redemption dates and instalment dates which occur after the Final Redemption Date;
  - (k) arising under any guarantee entered into by a Group Company in the ordinary course of business;
  - (l) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
  - (m) not permitted by paragraphs (a) to (l) above, in an amount not at any time exceeding SEK 5,000,000 (or its equivalent in any other currency or currencies) in aggregate for the Group.

**“Permitted Security”** means any security:

- (a) provided under the Finance Documents;
- (b) provided as security for Financial Indebtedness incurred pursuant to paragraphs (b) or (c) of the definition of Permitted Debt;
- (c) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (d) provided in relation to any lease agreement entered into by a Group Company;
- (e) arising under any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (including under any cash pooling arrangements);
- (f) arising under any payment or close out netting or set-off arrangement pursuant to any transactions made pursuant to paragraphs (e) and (f) of the definition of Permitted Debt, including any security or quasi security under a credit support arrangement on customary terms entered into in the ordinary course of business of the Group;

- (g) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group; or
- (h) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any member of the Group other than any permitted under paragraphs (a) to (g) above) does not exceed SEK 5,000,000 (or its equivalent in any other currency or 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 (i) an Interest Period for which an Interest Rate is to be determined, 2 Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, 2 Business Days before the Issue Date), or (ii) any other period for which an interest rate is to be determined, 2 Business Days before the first day of that period.

“**Record Date**” means the fifth (5<sup>th</sup>) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 15 (*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 11 (*Redemption and repurchase of the Bonds*).

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

“**Reference Period**” means each period of 12 consecutive calendar months ending on a Reference Date.

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Restricted Payment**” has the meaning set forth in Clause 13.1 (*Distributions*).

“**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 (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

“**SEK**” means the lawful currency of Sweden.

“**Sole Bookrunner**” means ABG Sundal Collier AB (reg. no. 556538-8674, Regeringsgatan 65, P.O. Box 7269, SE-103 89 Stockholm, Sweden).

“**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 paragraph (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 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the 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 paragraph (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; and

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

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (ii) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Total Assets**” means the consolidated book value of the Group’s assets according to the most recent Financial Report.

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer in connection with the Bond Issue and the listing of the Bonds.

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

## 1.2 **Construction**

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

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



- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

1.2.3 When ascertaining whether a limit or threshold specified in SEK 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 SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

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

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## 2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

2.1 The aggregate amount of the bond loan will be an amount of SEK 300,000,000 (the “**Bond Issue**”) which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). All Bonds are issued at an issue price of 99.00 per cent. of the Nominal Amount.

2.2 The ISIN for the Bonds is SE0011088954.

2.3 The minimum permissible investment in connection with the Bond Issue is SEK 2,000,000.

2.4 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.

2.5 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.

2.6 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

## 3. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them, except obligations which are preferred by mandatory provisions of law.

#### **4. USE OF PROCEEDS**

The Net Proceeds of the Bond Issue shall be applied towards general corporate purposes of the Group, including payments of Transaction Costs.

#### **5. CONDITIONS PRECEDENT FOR DISBURSEMENT**

##### **5.1 Conditions Precedent for the Bonds**

The Issuing Agent shall pay the Net Proceeds from the issuance of the Bonds to the Issuer on the later of (i) the Issue Date and (ii) the date on which the Agent notifies the Issuing Agent that it has received the following documents:

- (a) the Finance Documents duly executed by the Issuer;
- (b) the articles of association and certificates of registration of the Issuer; and
- (c) a copy of a resolution from the board of directors of the Issuer approving the Bond Issue, the terms of the Finance Documents and resolving to enter into such documents and any other documents necessary in connection therewith.

##### **5.2 Responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 5.1 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. None of the documentation and evidence delivered to it pursuant to Clause 5.1 are reviewed by the Agent from a legal or commercial perspective of the Holders.

#### **6. THE BONDS AND TRANSFERABILITY**

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.

6.4 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 Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise

its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

## 7. BONDS IN BOOK-ENTRY FORM

- 7.1 The Bonds will be registered for the Holders 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.
- 7.2 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.
- 7.3 The Issuer and the Agent shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 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 Holders.
- 7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer and the Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.
- 7.8 In respect of any Holders' Meeting or any Written Procedure, a Holder may instruct the Agent to disclose its identity and contact details (any Holder which has so instructed the Agent, a "**Disclosing Holder**") to each other Holder (if any) which have previously instructed the Agent to become a Disclosing Holder in respect of such Holders' Meeting or Written Procedure (as applicable). The Agent may and is deemed instructed by each of the Disclosing Holders to keep a book-entry register including the details of the Disclosing Holders in respect of the relevant Holders' Meeting or Written Procedure. Each Disclosing Holder shall be entitled, and

acknowledges and agrees that each other Disclosing Holder shall be entitled, to obtain a copy of such book-entry register upon request to the Agent.

## **8. RIGHT TO ACT ON BEHALF OF A HOLDER**

- 8.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Holder 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 these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 8.3 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 8.1 and 8.2 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.

## **9. PAYMENTS IN RESPECT OF THE BONDS**

- 9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions 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 Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant

to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

## **10. INTEREST**

- 10.1 The Bonds will bear Interest at the Interest Rate applied to the Outstanding Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 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).
- 10.4 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 200.00 basis points higher than the applicable 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.

## **11. REDEMPTION AND REPURCHASE OF THE BONDS**

### **11.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest.

### **11.2 The Group's purchase of Bonds**

Each Group Company may at any time purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

### **11.3 Early voluntary redemption by the Issuer (call option)**

- 11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling after the Issue Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.
- 11.3.2 Redemption in accordance with Clause 11.3.1 and 11.3.1 shall be made by the Issuer giving not less than 15 Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and

the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

#### 11.4 **Equity Claw Back**

11.4.1 The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 35 per cent. of the total Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within 180 days after such initial public offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The repayment per Bond shall equal the repaid percentage of the outstanding Nominal Amount (rounded down to the nearest SEK 1,000) plus (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and (ii) accrued but unpaid Interest on the repaid amount.

11.4.2 Partial repayment in accordance with Clause 11.4.1 above shall be made by the Issuer giving not less than 20 Business Days' notice and the repayment shall be made on the immediately following Interest Payment Date.

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

11.5.1 Upon a Change of Control Event or Listing Failure occurring, each Holder shall have the right to request that all, but not only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest during a period of 30 calendar days following a notice from the Issuer of the relevant event pursuant to paragraph (e) of Clause 13.11.1. The 30 calendar days' period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure.

11.5.2 The notice from the Issuer pursuant to paragraph (e) of Clause 13.11.1 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder 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 paragraph (e) of Clause 13.11.1. The repurchase date must fall no later than 20 Business Days after the end of the period referred to in Clause 11.5.1.

11.5.3 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 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.

11.6 Any Bonds repurchased by the Issuer pursuant to this Clause 11.5 may at the Issuer's discretion be disposed of in accordance with Clause 11.2 (*The Group's purchase of Bonds*).

## 12. INCURRENCE TEST AND MAINTENANCE TEST

### 12.1 Incurrence Test

12.1.1 The Incurrence Test shall be made at the times stipulated in these Terms and Conditions, in each case on the basis of the latest Financial Report, subject to the Calculation Principles.

12.1.2 The Incurrence Test is met if:

- (a) the Leverage Ratio is lower than:
  - (ii) from the Issue Date to the date falling two (2) years after the Issue Date, 4.00:1.00; and
  - (iii) thereafter, 3.75:1.00; and
- (b) no Event of Default is continuing or would occur upon the transaction in respect of which the Incurrence Test is made.

### 12.2 Maintenance Test

12.2.1 The Maintenance Test shall be tested on each Reference Date on the basis of the Financial Report in respect of the period ending on such Reference Date and shall be reported in the Compliance Certificate delivered in connection with such Financial Report, subject to the Calculation Principles and Clause 12.4 (*Equity Cure*).

12.2.2 The Maintenance Test is met if:

- (a) the Leverage Ratio in respect of each Reference Period is lower than 6.00:1.00 (the “**Leverage Ratio Maintenance Test**”); and
- (b) Minimum Liquidity as at each Reference Date is higher than SEK 75,000,000.

### 12.3 Calculation Principles

12.3.1 The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report (including when necessary, financial statements published before the Issue Date) shall be used for the Incurrence Test and the Maintenance Test, but adjusted by (without double counting):

- (a) *including* the operating profit before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA) of Group Company (or attributable to a business or assets) acquired during the Reference Period for that part of the Reference Period prior to its becoming Group Company or (as the case may be) prior to the acquisition of the business or assets;
- (b) *excluding* the operating profit before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA) attributable to any Group Company (or to any business or assets) disposed of during the Reference Period for that part of the Reference Period; and
- (c) *deducting* the amount of any Restricted Payment (which requires that the Incurrence Test is made) made after the last day of the Reference Period and the amount of the Restricted Payment in respect of which the Incurrence Test is made.

12.3.2 The figures for Net Interest Bearing Debt for the Reference Period ending on the last day of the period covered by the most recent Financial Report (including when necessary, financial statements published before the Issue Date) shall be used for the Incurrence Test and the Maintenance Test, but adjusted so that Net Interest Bearing Debt shall be (without double counting):

- (a) *reduced* to reflect any Financial Indebtedness attributable to a disposal of an entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Financial Indebtedness is included in the relevant financial statements), in each case to the extent attributable to the Reference Period;
- (b) *increased* on a *pro forma* basis by an amount equal to the Financial Indebtedness directly attributable to (i) any Financial Indebtedness owed by acquired entities, and (ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case to the extent attributable to the Reference Period or the period from the end of the Reference Period to the relevant testing date (for the avoidance of doubt, any cash balance resulting from the incurrence of the Financial Indebtedness shall not reduce Net Interest Bearing Debt); and
- (c) *increased* on a *pro forma* basis by an amount equal to the Financial Indebtedness (the incurrence of which requires that the Incurrence Test is made) incurred after the last day of the Reference Period and the amount equal to the Financial Indebtedness in respect of which the Incurrence Test is made (for the avoidance of doubt, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce Net Interest Bearing Debt).

#### 12.4 **Equity Cure**

- (a) Subject to paragraphs (b) to (e) below, the Issuer may prevent an Event of Default occurring as a result of a breach of the Leverage Ratio Maintenance Test by an equity injection to the Issuer made by way of a share issue or an unconditional shareholder contribution (an “**Equity Cure**”).
- (b) The full cash amount of the Equity Cure shall be deemed to have been applied as an increase of EBITDA as at the relevant Reference Date in respect of which the Leverage Ratio Maintenance Test is made, whereupon the Leverage Ratio Maintenance Test shall be recalculated to include the effect of the Equity Cure. Provided that the amount of the Equity Cure contributed to the Issuer is sufficient to prevent the breach of the Leverage Ratio Maintenance Test, no Event of Default shall be deemed to have occurred.
- (c) The Equity Cure must be made within twenty (20) Business Days of delivery of a Compliance Certificate evidencing the breach of the Leverage Ratio Maintenance Test.
- (d) The Equity Cure shall be deemed to have been received on the Reference Date falling on last day of the Reference Period and shall be included in the calculation of the Leverage Ratio Maintenance Test until such time as that Reference Date falls outside the Reference Period.



- (e) Any Equity Cure must be contributed in cash to the Issuer and no more than three (3) Equity Cures may be made over the lifetime of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.
- (f) For the avoidance of doubt, Net Interest Bearing Debt shall not be reduced by any amount of the Equity Cure.

### 13. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 13.

#### 13.1 Distributions

- (a) The Issuer shall not, and shall procure that none of the Subsidiaries will (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans or (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders. Sub-paragraphs (i) to (v) above are together and individually referred to as a "Restricted Payment":
  - (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made by:
    - (i) subject to sub-paragraph (ii) below, the Issuer to its shareholders, if the Incurrence Test (including the Restricted Payment on a *pro rata* basis) is met and the aggregate amount of all Restricted Payments made by the Issuer to its shareholders in a financial year (including the Restricted Payment in question) does not exceed:
      - (A) prior to an Equity Listing Event, an amount equal to the lower of (1) 30.00 per cent. of the Group's net profit according to the annual audited consolidated financial statements of the Issuer for the previous financial year and (2) SEK 10,000,000, in each case without carry back or carry forward; or
      - (B) following an Equity Listing Event, (1) 30.00 per cent. of the Group's net profit according to the annual audited consolidated financial statements of the Issuer for the previous year or (2) any higher amount to the extent necessary to comply with mandatory provisions of the Swedish Companies Act relating to dividend distributions to minority shareholders, provided that the Issuer in such case shall ensure that any such dividend shall be paid at the lowest level allowed by applicable law;
    - (ii) notwithstanding sub-paragraph (i) above, by the Issuer to its shareholders by way of dividends of net profits for the financial year ended 31 December 2017, provided that the aggregate amount of such dividends does not exceed SEK 10,075,000; or

- (iii) any Group Company to any other Group Company (including the Issuer), provided that if the Restricted Payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, the Restricted Payment is made *pro rata* to the Group's ownership percentage in such Subsidiary,

in each case provided that such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment.

### 13.2 **Listing of Bonds**

The Issuer shall ensure (i) that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, within 12 months after the Issue Date and (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### 13.3 **Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date.

### 13.4 **Negative Pledge**

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

### 13.5 **Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur, maintain or prolong Financial Indebtedness that constitute Permitted Debt.

### 13.6 **Market Loans**

The Issuer shall procure that no Group Company, except for the Issuer, issues any Market Loan. The Issuer shall not:

- (a) issue any Market Loan unless the Incurrence Test (calculated *pro forma* including such Market Loan) is met;
- (b) issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Redemption Date;
- (c) create or allow to subsist, retain, provide, prolong or renew any guarantee or security over any of its (present or future) to secure any Market Loan; or
- (d) repurchase any Market Loan other than the Bonds, or part thereof, issued by the Issuer.

### 13.7 **Maintenance Test**

The Issuer shall procure that the Maintenance Test is met.

### 13.8 **Disposals of assets**

The Issuer shall not, and shall procure that none of its Subsidiaries will, sell, transfer or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at arm's length terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction if such transaction is material (in accordance with Clause 13.11.2) and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

### 13.9 **Dealings with related parties**

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

### 13.10 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the other Group Companies, (i) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

### 13.11 **Information undertakings**

#### 13.11.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer to the Agent and on its website not later than 120 days after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer to the Agent and on its website not later than 60 days after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with any Incurrence Test and (iii) at the Agent's request, within 15 Business Days from such request;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;

- (e) promptly notify the Agent (and, as regards a Change of Control Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a Change of Control Event a Listing Failure or 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 a combination of any of the foregoing) constitute an Event of Default), and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice (including, for the avoidance of doubt, calculations, figures and supporting documents in respect of the Maintenance Test);
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time); and
- (g) in addition to the requirements set out above, procure that each Financial Report includes:
  - (ii) complete profit and loss accounts and balance sheet;
  - (iii) a detailed cash flow statement including specifications of operating, investing and financing cash flows;
  - (iv) revenue and EBITDA segment reporting on core operations, international and other as the case may be from time to time;
  - (v) revenue segment reporting per commercial vehicles, general industry, mining & construction, agriculture and automotive segment;
  - (vi) management commentary relating to market development, material new contracts (in anonymised terms), capital expenditure programs and any other relevant developments; and
  - (vii) realised and unrealised currencies losses during the quarter.

13.11.2 The Issuer shall notify the Agent of any such material transaction which is not within the ordinary course of business as referred to in Clause 13.7 (*Disposals of assets*) and the Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to such transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such

transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under sub-paragraph (ii) above.

### 13.12 **Agent Agreement**

13.12.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

13.12.2 The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

### 13.13 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

## 14. **TERMINATION OF THE BONDS**

14.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least 50.00 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 14.6 or 14.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than 20 Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within 5 Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under paragraphs (a) or (b) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 15 Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross-default:**
  - (i) Any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise

becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described); or

- (ii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under paragraph (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 15,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(d) **Insolvency:**

- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;

(e) **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 30 calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

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

(f) **Mergers and demergers:** A decision is made that any Material Group Company shall be merged or demerged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged;

(g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 15,000,000 and is not discharged within 30 calendar days;

(h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the

obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or

- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business (except if due to (i) a permitted merger or demerger as stipulated in paragraph (f) of Clause 14.1 (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 13.7 (*Disposals of assets*)) and provided, in relation to the discontinuation of a Material Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.
- 14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently).
- 14.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 14.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.
- 14.5 The Issuer is only obliged to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) 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 Clause 14.4.
- 14.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Agent shall (i) notify, within 5 Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within 20 Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify

the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 14.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 14.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).
- 14.10 If the Bonds are declared due and payable, the Issuer shall redeem all Bonds with an amount per Bond equal to item (b) of the Call Option Price (plus accrued and unpaid Interest) or, if the Bonds are accelerated before the First Call Date, at the price set out in paragraph (a) of the definition of Call Option Price (plus accrued and unpaid Interest).

## **15. DISTRIBUTION OF PROCEEDS**

- 15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.
- 15.2 Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.



- 15.3 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.4 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.5 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## 16. DECISIONS BY HOLDERS

- 16.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least 10.00 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders 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.
- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- 16.5 The following matters shall require consent of Holders representing at least two thirds ( $\frac{2}{3}$ ) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) waive a breach of or amend an undertaking set out in Clause (e) (*Special undertakings*);
  - (b) a mandatory exchange of Bonds for other securities;
  - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
  - (e) amend the provisions in this Clause 16.5 or in Clause 16.6.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than 50.00 per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a), (b) or (c) of Clause 19.1) or a termination of the Bonds.
- 16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least 50.00 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise 20.00 per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 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 these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Holder 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.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant

Holder's 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.

- 16.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, 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) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders 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 Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **17. HOLDERS' MEETING**

- 17.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than 5 Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than 5 Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 17.1), (iv) agenda for the meeting (including each request for a decision by the Holders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.

- 17.4 The Holders' Meeting shall be held no earlier than 10 Business Days and no later than 20 Business Days from the notice.
- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within 5 Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

## **18. WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure no later than 5 Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (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 Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (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 Holder must reply to the request (such time period to last at least 10 Business Days but not more than 20 Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within 5 Business Days after having received such notice, the requesting Person may instigate

a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.

- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 or 16.6 (as applicable) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. AMENDMENTS AND WAIVERS**

19.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).

19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

19.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **20.1 Appointment of Agent**

20.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in *all* matters relating to the Bonds and these Terms and Conditions, 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 Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 20.1.3 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 these Terms and Conditions.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 20.2 **Duties of the Agent**

- 20.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the due execution, validity or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 20.2.2 To the extent permissible by applicable regulations (as decided by the Agent, acting in its sole discretion), upon written instruction by a Holder the Agent may (at the discretion of the Agent) distribute to the other Holders any information from such instructing Holder, provided that such information relates to the Bonds or the identity of the instructing Holder. The Agent may require that the instructing Holder 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.
- 20.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.4 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Holders, unless otherwise set out in these Terms

and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders.

- 20.2.5 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group Companies with the terms of these Terms and Conditions (unless to the extent expressly set out in these Terms and Conditions) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.
- 20.2.6 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 these Terms and Conditions.
- 20.2.7 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders 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 these Terms and Conditions and the Agent Agreement.
- 20.2.8 The Agent shall be entitled to disclose to the Holders 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 Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 20.2.9 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. 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 these Terms and Conditions shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 20.2.10 The Agent shall 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 these Terms and Conditions.
- 20.2.11 Notwithstanding any other provision of these Terms and Conditions 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.
- 20.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.13 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or

indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 20.2.12.

### 20.3 **Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by or addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, 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.
- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14.1 or Clause 16 (*Decisions by Holders*).
- 20.3.5 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other person.
- 20.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

### 20.4 **Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within 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.
- 20.4.3 A Holder (or Holders) representing at least 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Holders have not appointed a successor Agent within 90 calendar 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 Holders, 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.

- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 20.4.6 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.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, 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 these Terms and Conditions and the Agent Agreement. 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.

## **21. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 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.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **22. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm or any other Regulated Market. The replacing CSD must be authorised to

professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. lag (2007:528) om värdepappersmarknaden).

## **23. NO DIRECT ACTIONS BY HOLDERS**

- 23.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, 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 or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions 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 Holder to provide documents in accordance with Clause 20.1.2), 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 these Terms and Conditions or the Agent Agreement or by any reason described in Clause 20.2.12, such failure must continue for at least 40 Business Days after notice pursuant to Clause 20.2.13 before a Holder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **24. TIME-BAR**

- 24.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void 10 years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void 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 Holders' right to receive payment has been time-barred and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of 10 years with respect to the right to receive repayment of the principal of the Bonds, and of 3 years with respect to the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **25. NOTICES AND PRESS RELEASES**

### **25.1 Notices**

25.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) 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 such email address as notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

25.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, 3 Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

25.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

### **25.2 Press releases**

25.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3, 11.4, 13.11.1 (e), 14.6, 15.4, 16.14, 17.1, 18.1, 19.3, 20.2.10 and 20.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.

## **26. FORCE MAJEURE AND LIMITATION OF LIABILITY**

26.1 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 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.

- 26.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3 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.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **27. LISTING**

The Issuer has undertaken to list the Bonds within 12 months after the Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 13.2 (*Listing of the Bonds*). Further, if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm within 60 calendar days from the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 11.5 (*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*).

## **28. GOVERNING LAW AND JURISDICTION**

- 28.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 28.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 28.3, be determined by Swedish courts and the District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.
- 28.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

## 13 Addresses

### **The Company**

Leax Group AB (publ)  
Nya Hamnvägen 4  
SE-731 36 Köping, Sweden  
Tel: +46 (0)221 346 00  
[www.leax.com](http://www.leax.com)

### **Issuing Agent**

ABG Sundal Collier AB  
P.O Box 7269  
SE-103 89 Stockholm, Sweden  
Tel: +46 (0)8 566 286 00  
[www.abgsc.se](http://www.abgsc.se)

### **Legal Advisor**

Gernandt & Danielsson Advokatbyrå KB  
P.O. Box 5747  
SE-114 87 Stockholm, Sweden  
Tel: +46 (0)8 670 66 00  
[www.gda.se](http://www.gda.se)

### **Auditor**

Jimmy Nybom  
c/o Grant Thornton Sweden AB  
Slottsgatan 27  
SE-722 11 Västerås, Sweden  
Tel: +46 (0)21-17 79 00  
[www.grantthornton.se](http://www.grantthornton.se)

### **Agent**

Nordic Trustee & Agency AB (publ)  
P.O. Box 7329  
SE-103 90 Stockholm, Sweden  
Tel: +46 (0)8 783 79 00  
[www.nordictrustee.com](http://www.nordictrustee.com)

### **Central Securities Depository**

Euroclear Sweden AB  
Klarabergsviadukten 63  
P.O. Box 191  
SE-101 23 Stockholm, Sweden  
Tel: +46 (0)8 402 90 00  
[www.euroclear.eu](http://www.euroclear.eu)