

ALLGON AB (publ)

**PROSPECTUS REGARDING THE LISTING OF MAXIMUM SEK
276,000,000**

SENIOR SECURED CALLABLE FLOATING RATE BONDS

2018/2022

ISIN: SE0011282649

Prospectus dated 30 July 2018

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the “**Prospectus**”) has been prepared by Allgon AB (publ), reg. no. 556387-9955 (“**Allgon**” or the “**Company**”), in relation to the application for listing of SEK 276,000,000 senior secured callable fixed rate bonds 2018/2022 issued on 7 June 2018 with ISIN code SE0011282649 (the “**Bonds**”) in accordance with the terms and conditions of the Bonds (the “**Terms and Conditions**”), on the corporate bond list at Nasdaq Stockholm. The Company is a parent company in a group consisting of ten subsidiaries (together referred to as the “**Group**”).

The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. All financial amounts are in Swedish kronor (“**SEK**”), unless indicated otherwise. Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company’s auditor as outlined herein originates from the Company’s internal accounting and reporting systems.

The 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. The Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectuses, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession the Prospectus comes or any person who acquires 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 not 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 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 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. The Prospectus has been approved and registered by 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 the Prospectus is accurate or complete. The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (fi.se), the European Securities and Markets Authority’s web page (esma.europa.eu) and the Company’s web page (allgon.se) and paper copies may be obtained from the Company.

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 the 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.

FORWARD-LOOKING STATEMENTS

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus in its entirety including all documents that are incorporated by references under the section “*Information regarding the Company’s financial reporting*”. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages.

After the date of the Prospectus, the Company, is not under any obligation, except as required by law or Nasdaq Stockholm’s Rule Book for Issuers, to update any forward-looking statements or to confirm these forward-looking statements to actual events or developments.

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Definitions

Allgon, the Company, the Group or the Issuer	Allgon AB (publ), reg. no. 556387-9955, a public limited liability company with registered office in Stockholm, Sweden.
Agent	Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, Box 7329, 103 90 Stockholm, Sweden.
The Bonds	Refers to the Senior Secured Callable Fixed Rate Bonds 2018/2022.
Terms and Conditions	Refers to the terms and conditions of Allgon's SEK 276,000,000 Senior Secured Callable Fixed Rate Bonds 2018/2022 included in the Prospectus under section " <i>Terms and Conditions</i> ".
IFRS	International Financial Reporting Standards
Euroclear Sweden	Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE 101 23 Stockholm, Sweden.
Nasdaq Stockholm	The corporate bond list on the regulated market operated by Nasdaq Stockholm AB.
Prospectus	This Prospectus.
SEK	Swedish krona.
USD	US Dollar.
EUR	Euro.

RISK FACTORS

Investments in bonds always entail a risk and an investment in Allgon's Bonds is not an exception in this respect. A number of factors affect or could affect Allgon's business and/or its subsidiaries, both directly and indirectly. Potential investors should give careful consideration to all the information provided in the Prospectus and in particular assess the specific risk factors mentioned below which describe certain risks inherent in an investment in the Bonds. Each of the risk factors below and other risks and uncertainties mentioned in the Prospectus could, if they are realized, have a material negative effect on the Group's business, results, financial position or outlook, or result in a reduction in the value of the Bonds, which can lead to investors losing all or part of their invested capital. The risks and uncertainties described below are not stated in order of significance and do not represent the only risks and uncertainties faced by Allgon. Further risks and uncertainties of which the Company is currently not aware or perceives as being insignificant could also develop into factors that could have a material adverse effect on the Group's business, results of operations, financial condition or outlook.

RISKS RELATED TO THE COMPANY'S BUSINESS

Risks associated with the Group's partners

Allgon's operations are, and will remain, dependent on collaborations with various partners for production, marketing, sales and distribution of the Company's products and, moving ahead, for the development of the Company's future products. In the Company's Connectivity business area, for example, most of the manufacturing is outsourced to the Company's external production partners in Europe and Asia. Sales of the Company's products comprise direct sales or sales through distributors with whom the Company has signed agreements and who may be local, domestic or international distributors. If the Group's partners do not meet their obligations regarding, for example, delivery capacity, delivery precision, quality and level of sales, or if the Company fails in its efforts to follow up and develop its existing and future partnerships, this could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Company's acquisition strategy and the integration of acquired companies and operations

Allgon has an explicit acquisition strategy and actively seeks for established companies with development potential, which complement the Group and operates within the framework of the Company's existing or future offering. Following the acquisition of Åkerströms Björbo and Wireless System Integration in 2016, Satmission and IIOX in 2017, and the contemplated acquisition of Tele Radio in 2018, the Group has expanded considerably during a short time and thereafter comprises, as of the date of the Prospectus, three business areas: Connectivity, Industrial Radio Remote Control and Industrial IoT. Allgon continuously evaluates various potential acquisitions in line with the Company's acquisition strategy and there is a risk that the Company may not succeed in identifying suitable acquisition targets or may fail to implement strategic acquisitions due to, for example, competition from other acquirers or of the absence of adequate financing.

Based on the Group's strong position in the market and its sales, the Company evaluates, for each acquisition, the extent to which obstacles relating to competition law may arise for a specific acquisition, such as in the case of Tele Radio. The competition legal framework aims to prevent business concentrations that are designed to tangibly obstruct the existence of effective competition. In Sweden, business concentrations fall under the supervision of the Swedish Competition Authority. If certain thresholds are met, the Company may need to report acquisitions to the Swedish Competition Authority for further examination and even if such submission is unnecessary, the Company may do so voluntarily. Even if an acquisition is not subject to obligatory notification, such as the acquisition of Tele Radio, there is a risk that the Swedish Competition Authority may request notification in arrears if it deems that special reasons exist. If any competition obstacles to the acquisition of Tele Radio were to arise, this could have a material adverse impact on the Group's operations, financial position and earnings.

Acquisition activities may entail certain financial, management-related and operational risks, such as management's attention not being directed at the core business, difficulties integrating or separating existing operations, as well as other challenges associated with acquisitions which may relate to, for example, not reaching sales or profitability levels, which in turn may prove the investment to be unprofitable from a financial or strategical point of view. There is also a risk that the Company will not be able to successfully integrate acquired

operations or that such operations, after being integrated, will not perform as expected. In addition, acquisitions may lead to deteriorating relations with key persons, customers and suppliers. If acquired companies are not successfully integrated, this could have a material adverse impact on the Company's operations, financial position and earnings.

The integration of acquired companies may entail organizational changes which may, in the short term, cause delays in the implementation of plans and objectives. There is also a risk that any integration and synergy effects of an acquisition take longer than expected or may not occur at all. Acquisitions may also expose the Company to unknown liabilities, since the Company normally assumes the acquired company's assets and other obligations. Further, acquired companies may be part to agreements which contains so called change of control clauses. A change of control clause usually states that the acquired company's counterparty has the right to terminate the agreement should a change of ownership corresponding to 50 percent of the voting rights or the share capital in acquired company occur, or if the controlling influence over the company changes. Some agreements to which Tele Radio is a party contains change of control clauses and there is thus a risk that their counterparties will not leave their approval to the change of ownership and use their contractual right to terminate the agreement (which may also occur in any future acquisitions). If such obligations and liabilities are not identified prior to the acquisition and if the Company does not hold a sufficient contractual protection against the same, or if counterparties to acquired businesses rely on any change of control clauses and use their right to terminate agreements, this could have a material adverse impact on the Group's operations, financial position and earnings.

Future acquisitions may be financed through new share issues, entailing dilution for existing shareholders, signing for loans, contingent liabilities, amortization, and impairment of goodwill or restructuring costs, which could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with product and technology development

A large share of Allgon's product range is developed through continuous technical development and the Company works constantly to develop new products in all of its business areas. Competing technologies are developed continuously, with new players emerging constantly, and it is thus of major importance that the Company's product software and other technical solutions are developed so that their functionality meets the demands and preferences from the customers and the market. Appreciation for and adoption of the Company's technology requires a mature market. This may necessitate major investments in marketing and sales in order to realize expected sales volumes. If Allgon fails to create relevant products that meet the rapid development in wireless communication, there is a risk that the Company will rapidly lose market shares and revenue. There is thus a risk that the Company will be unsuccessful in the development of new products or that a new product may not be launched in the market as expected, or at all. Failure to develop new products can be caused by several factors, such as the product not containing the required qualities or characteristics, or that a product is too expensive to produce and sell, which may have a material adverse impact on the Group's operations, financial position and earnings.

To adapt the Company's products to a commercial environment which generates revenue flows, the Company invest capital in product development. However, product development and coherent activities are complex, especially in the Company's industry, and it is difficult to forecast the time and cost consequences of separate investments. There is a risk that planned product development will become more time or cost-intensive than the Company initially assumed or that it may not be possible to adapt the Company's products to a commercial environment, which could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with market acceptance and rapid technological changes for the Company's products and technology

Allgon continuously develops its products and technology in all of its business areas and does this in certain instances in close cooperation with customers. The markets in which Allgon is active are characterized by a high tendency toward technological change. The Company must be able to effectively foresee technology developments, market demand and other market tendencies and trends, and develop and adapt its products accordingly. There is a risk that future technology development will not be successful or accepted by customers and the market or that it may not be possible to implement prospective new technologies without disrupting the Company's operations. Furthermore, there is a risk that the Company's current or future assumptions concerning technology developments,

market demands and other market trends may be, or could become, inaccurate or misleading. It is also possible that the Company's competitors more efficiently modify their products to suit current market trends, or make more accurate assumptions concerning technology developments. There is a risk that Allgon's target customers may not choose the Company's technology for technical or commercial reasons. Several of the Company's target customers may decide to use other technologies or applications and may thus regard it as difficult or unattractive to continue to use, adapt to or change to Allgon's technology. If Allgon fails to develop its products in pace with its markets and technology advances, or if the Company's competitors do so more efficiently, this could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with potential faults in the Company's developed products

In the future, Allgon's products and components may be integrated with a number of applications and products. In the event that the technical design of one of these applications or products proves to be poorly constructed or if the Company's products do not meet the criteria promised, the Company may be obliged to participate in or implement remedial programs or liable in accordance with provided warranties. This, in turn, may lead to the Company being subject to considerable costs and the Company's reputation being negatively affected. As a result of this, the Company risks losing existing and potential customers. Furthermore, requirements from the Company's partners or customers to participate in or implement remedial programs or respond under warranties may involve costly investigations and disputes, which could require the management's attention and operational resources and thereby have a material adverse impact on the Group's reputation, operations, financial position and earnings.

Risks associated with disruptions to production

Manufacturing of the Company's products is conducted by external partners, mainly in Asia. The Company's success is dependent on a reliable and efficient production. Disruptions at the Company's production partners or at their subcontractors in the form of strikes, natural disasters, sabotage, social unrest or fires may make it difficult, or impossible, for the Group to meet its obligations to its customers and to deliver the agreed quantity and quality within the appointed time, which could increase the risk of the Company's customers changing supplier. In certain instances, the Company's customers may also be entitled to compensation if Allgon is unable to deliver products based on established commitments to the Company's customers. As a consequence thereof, there is a risk that these customers may not return to purchase the Company's products and instead purchase the competitors' corresponding products. Potential disruptions to production may thus have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the sale of Allgon's current and future products

The markets in which Allgon is active are characterized by a high pace of change in technology, meaning that launches of the Company's products are preceded by long sales processes to attract new customers. Even if the quality of a new product is satisfactory and sold at a competitive price, there is a risk that sales will not be successful. Furthermore, customers tend to be highly cautious toward investments in new technology and cultivating new customers is time and resource-consuming since customers are extremely thorough in their assessment of new technology. Bringing forward or postponing one or more orders could have a significant impact on the Company's sales and earnings and variations in the Company's sales and earnings between quarters may thus be high. Allgon's development is dependent on the Company's products continuing to grow. Delayed market penetration may have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Company's competitive situation

Allgon operates in a competitive market and as of the date of the Prospectus, there are a number of known competitors to Allgon that are developing technology similar to that developed and provided by the Company. In addition, there may be other competitors or technology development projects that aim to resolve the same needs as the Company and who are not yet known to the Company. The Company is also exposed to the risk that other players may intend to establish operations in the same market as the Company. There is a risk that competitors, both known and unknown, may develop more efficient systems and technology for products similar to those that the Company develops and offers. Furthermore, there is a risk that competitors will acquire, invest in or establish joint ventures with other companies or competitors that, compared with the Company, have similar or competing technology and products. If competitors to the Company develop more efficient systems and technology or if competitors choose to merge, through acquisitions, joint ventures or investments, this may lead to increased price pressure, reduced profit margins, increasing costs for research and development, and/or increased costs for

marketing and sales. There is also a risk that Allgon's existing and future potential customers themselves develop technologies and solutions that fully or partly resolve the same problems as Allgon's products, which would eliminate or reduce the need for the Company's product offerings.

Allgon's future ability to compete depends on, among other things, the Company's and its competitors' financial resources, marketing and product development. In addition, several of Allgon's competitors have larger financial resources than the Company, which could result in competitive advantages for these players. There is also a risk that the Group will not be able to react quickly enough to action by its competitors and to existing and future market requirements. In addition to worsened competition possibilities, increased competition from existing and new market players may result in reduced sales and smaller market shares. If any of these risks should materialize, this could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Company's reputation

Allgon's reputation is important for its operations and competitiveness, which means it is particularly important for Allgon to meet its customers' demands for quality, delivery and service. Allgon's operations are based on consumers and partners associating the Company with positive values and high quality. If Allgon or any member of Allgon's executive management were to behave in a manner that conflicts with the Company's values, or if any of the Company's products were to not meet market expectations, there is a risk of damage to the Company's reputation. If, for example, one or more of the Company's products proved to be harmful to the environment, there is a risk that the Company's environmental profile would be damaged, regardless of whether this is attributable to factors outside the Company's control or to any of the Company's partners. If Allgon's reputation were to be damaged in any way, this could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's capacity to manage growth

Allgon is in a growth phase that is setting high demands on the Company's management as well as its operational and financial infrastructure. With the acquisition of Tele Radio, the Company has grown substantially, which is placing further demands on implemented planning and management processes in the business. In addition, Allgon operates in a market that is subject to rapid development, meaning that the operations may need to be quickly adapted accordingly. If the above processes are not in place when needed or cannot be adapted to market development, this could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's goodwill

The Group's intangible assets mainly comprise goodwill. Goodwill arises when operations are acquired at a price exceeding the fair value of the operations' net assets and is valued at purchase cost less accumulated impairments. At 31 March 2018, the Group's total goodwill amounted to SEK 118.4 million. If the operations underperform relative to the prevailing assumptions at the time of the acquisition, a goodwill risk arise as a consequence. Impairment testing of goodwill items must be conducted annually and if Allgon's valuation of an acquired operation were to prove too low, an obligation would arise for the Company to conduct an impairment of the goodwill item. The process for testing whether an impairment requirement exists entails a number of assessments, assumptions and estimates which are characterized by a high degree of uncertainty. Impairment of the Company's goodwill affects the Group's balance sheet and income statement and may thus have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's intellectual property rights

There is a risk that the Company will not obtain patents or other intellectual property rights for its future innovations. In addition, patents are only valid for a certain period of time and there is a risk that the Company's current and future intellectual property rights will not provide a sufficient protection. The products that the Company develops may be considered to infringe patents owned and controlled by external parties. If the Company is forced into legal proceedings regarding the rights to a patent, the costs of such a proceeding, which the Company may lose, may be considerable, and could result in that the protection for one or several of the Company's products cease to exist or entail an obligation to pay considerable damages. The Company is also dependent on know-how and trade secrets that are protected through non-disclosure agreements with employees, consultants and other partners. There is a risk that competitors gain access to and use the Company's know-how and that trade secrets

developed by the Company leaks to unauthorized parties, which may have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with future capital needs

The potential for future profits is to a great extent dependent on market developments. In the future, there is a risk that Allgon will not have sufficient revenues to finance its operations, and may thus be forced to raise additional capital in order to continue to conduct its business in accordance with planned growth pace. Further, market conditions, the general availability of capital, the Company's credit rating and uncertainties and/or disruptions on the capital and credit markets may affect the possibility of raising, and availability of, capital. There is a risk that capital cannot be raised when needed or at terms acceptable to the Company, or that raised capital is insufficient to finance the operations in accordance with the Company's development plans and targets. This could lead to that the Company's market position deteriorates in relation to the Company's competitors. If any of the above risks were to materialize, it could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the general economic climate

The Company is affected by macro-economic factors, such as the general economic climate. In the event of a decline in the economic climate in Sweden or in other places in the world where Allgon conducts its operations, there is a risk that the services and products provided by Allgon will be affected by reduced demand. Furthermore, an economic climate that is negative for the Group may lead to reduced consumption, a decline in the number or volume of investments, increased volatility in the capital market, and changes in exchange rates, inflation and interest rates. Combined with increased caution among companies and consumers, which is outside the Company's control, these factors may lead to further economic slowdown and recession, which would impact the business and economic situation and could ultimately have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with potential disputes and legal proceedings

Allgon is a commercial player operating in an international market. Accordingly, the Company may, from time to time, be involved in legal disputes or be subject to compensation claims, investigations or other administrative processes, which may entail that Allgon becomes liable to pay compensation or terminate certain operations, or that board members or other Company employees risk legal sanctions. Such proceedings are generally time and cost consuming, including costs for legal advice, and disrupts the Company's operating activities, and their outcome is difficult to predict, which may have an adverse impact on the Group's operations, financial position and earnings.

Risks associated with key personnel in the Group

Allgon operates in a high-tech market, in which the expertise of key personnel and others is of major importance for the Company's operations and continued development. The Company is thus dependent on being able to retain these persons within the Company. If the Company expands its operations, there will also be a need to attract employees with experience, competence or expertise that is at least on par with the experience, competence or expertise among existing key personnel and other employees. If one or more key persons or other personnel with special expertise chooses to terminate or significantly change their involvement with the Company, and the Company, where applicable, cannot replace them with corresponding experience, competence or expertise, this may have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's credit risk

Credit risk arises through Allgon's balances of, for example, cash and cash equivalents with banks and financial institutions, as well as credit exposure in relation to the Company's customers, including outstanding receivables and agreed transactions. The maximum credit risk exposure comprises the book value of the exposed assets. The risk that the Company's customers will not fulfil their obligations, meaning the non-payment of accounts receivable, constitutes a customer credit risk. Any irregularities in the management of the Company's credit control prior to granting credit could have a material adverse impact on the Group's operations, financial position or earnings.

Risks associated with the Group's currency risk

The Group operates internationally and is exposed to currency risks from various currency exposures, primarily with regard to USD and EUR. The primary exposure arises from the Group's sales and purchases in foreign currencies. These currency risks comprise partly the risk of fluctuations in the value of accounts receivable and accounts payable, and partly the currency risk in anticipated and agreed payment flows. Currency risk can also be found in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency, so-called translation exposure. As of 31 December 2017, a strengthening of the USD by 10 percent would result in an income decline of SEK 1.3 million on an annual basis, as Allgon's purchases in USD are greater than its sales in USD. As of 31 December 2017, a weakening of the EUR by 10 percent would result in an income decline of SEK 4.7 million on an annual basis, as Allgon's sales in EUR are greater than its purchases in EUR. Since the exchange rates of foreign currencies fluctuate in relation to the SEK, there is a risk that future exchange-rate changes may have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's liquidity risk

Liquidity risk is the risk that the Group will have difficulties fulfilling its obligations associated with financial liabilities. The Group's operations also comprise a liquidity risk, since a large amount of capital is tied up in inventory. If the Group has difficulties in meeting its obligations that are associated with financial liabilities, this may have a material adverse impact on the Group's operations, financial position and earnings.

The Group's interest risks

The Group has no interest-bearing receivables, but on the other hand interest-bearing liabilities. An increase in the interest rates of 1 percent would as of 31 December 2017 entail an income decline of SEK 0.6 million on an annual basis. The Group's interest risks arises through potential long-term loans. Loans with floating interest rates expose the Group of interest risk as regards cash flow, which is partly neutralized of cash with floating interest rates. Loans with fixed interest expose the Group to interest risks as regards fair value. A negative development of interest rates could have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with amended accounting standards

Allgon's financial statements are affected by changes in IFRS as adopted by the EU, applicable from time to time. In the future, Allgon's accounting, financial statements and internal control may be affected by changes in the application and interpretation of such accounting standards. For example IFRS 16 (Leases), which is effective as of 1 January 2019 and replace the current standard IAS 17, will impose new requirements regarding the measurement, presentation and the reporting of leases where Allgon is a lessee. Application of IFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under IFRS 16, an asset (the right to use the leased item) and a financial liability regarding future rental payments are recognized. The only exceptions to this are for short-term and low-value leases. Instead of recognizing a rental expense, the profit or loss will be affected by an amortization of the asset and an interest expense related to the liability. The main effect on the financial statements will be an increase in assets and liabilities and related KPIs as well as an effect on income statement related KPIs such as EBITDA. The calculations of the effect at transition or choice of transition method has not been made. As an effect of the above, there is a risk that the implementation of IFRS 16, or other changes that is being made to IFRS, may have a material adverse impact on the Group's operations, financial position and earnings.

Risks associated with the Group's tax situation

It is the Company's assessment that Allgon conducts, and has conducted, its operations in accordance with the Company's interpretation of tax legislation, demands from the relevant tax authorities, administrative practice and, where appropriate, tax treaties, each as applicable from time to time. There is a risk that the Company's interpretation of tax legislation, the relevant authorities' requirements or administrative practice and/or tax treaties may be incorrect, or that such rules may be changed with retroactive effect, which could have a material adverse impact on the Group's operations, financial position and earnings.

RISKS RELATED TO THE BONDS

Liquidity risks

There is a risk that a liquid trading of the Bonds does not occur or cannot be maintained. The Company will apply for listing of the Bonds on Nasdaq Stockholm within 30 days, but not later than 60 days, from the First Issue Date. Even if a security is admitted to trading there will not always be a demand and trading of the Bonds.

This may entail that the bondholders cannot sell their Bonds at a desired time or at price levels which allows for a profit comparable to similar investments that have a higher liquidity in the current trading. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

The market price of the Bonds may be volatile

The market price of the Bonds could 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 Issuer and 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. In addition, the global financial markets have experienced significant price and volume fluctuations in recent years, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's and the Group's operating results, financial condition or prospects.

Credit risk

Bond investors have a credit risk on Allgon. The investor's ability to receive payment under the Terms and Conditions of the Bonds is therefore dependent on the Company's ability to meet its payment obligations, which in turn is largely dependent on the development of Allgon's operations and its financial position.

An increased credit risk may cause the market to price the Bonds with a higher risk premium, which would affect the value of the Bonds negatively. Another aspect of the credit risk is that a deterioration of the financial position may cause Allgon's creditworthiness to decrease and that Allgon's abilities of debt financing at the end of the duration of the Bond loan deteriorate.

There is no rating for the Company or the Bonds

Neither the Issuer nor the Bonds have a credit rating from an international credit rating institute. Even though a credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time, it indicates the credit agency's assessment of the Company's creditworthiness. As a result investors need to make their own assessment on the Company's ability to fulfil their obligations of payments under the Terms and Conditions of the Bonds. Some investors' e.g. financial institutions may also be restricted of investing in Bonds without a credit rating which may have a negative impact on the liquidity of the Bonds.

Preferential claim

Within its overall financing Allgon and its subsidiaries have incurred loans from credit institutions and investors. Such financing are usually preferential claims on the group and security over properties and share certificates in Allgon's property-owning subsidiaries have been granted therefor. Allgon and its subsidiaries intend to continue to seek appropriate and favorable financing and new loans may be incurred.

The Bonds constitutes a partly secured obligation of Allgon. Each investor should be aware that there is a risk that investors in the Bonds may lose part or all of the investment in the event of Allgon's liquidation, bankruptcy or corporate restructuring.

Creditor meeting

The terms and conditions of the Bonds contains certain regulations regarding Creditor meeting or written decision-making which can be held in order to determine matters relating to Creditors' interests. These regulations permit specified majorities to bind all holders of the Bonds, including holders of the Bonds who have not participated and voted at the current meeting or who have voted in another way than required majority, to decisions made at a duly convened and conducted Creditor meeting. Consequently, the actions of the majority in such matters could impact a Creditors' rights in a manner that would be undesirable for some of the Creditors.

Risks related to early redemption and put options

Under the Terms and Conditions, and as described in the Term Sheet, 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 that exceeds the nominal amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount. Hence, it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds. Furthermore, the Bonds are subject to prepayment at the option of each Bondholder (put options) upon a Change of Control. 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 Bonds.

Right to payments that have not been claimed within three years are prescribed

In case any payment under the Bonds has not been claimed within three years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Bondholders who have not claimed payment under the Bonds within the prescription time of three years.

STATEMENT OF RESPONSIBILITY

The Bonds were issued on 7 June 2018 and the issue was made based on a decision by the Board of Directors of the Company on 31 May 2018. The Prospectus has been prepared in relation to the Company's admission to trading of the Bonds on the corporate bond list on the regulated market Nasdaq Stockholm, in accordance with the Directive 2003/71/EC together with any applicable implementing measures, including Directive 2010/73/EC and the Commission Regulation (EC) No 809/2004 (including the Commission Regulation (EC) No 486/2012) and Ch. 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Board of Directors of the Company is responsible for the information given in the 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 the 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.

Stockholm, 30 July 2018

Allgon AB (publ)

The Board of Directors

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the 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 under the section “Terms and conditions of the Bonds” in the Prospectus.

Concepts and terms defined in the section “Terms and Condition of the Bonds” are used with the same meaning in this description unless otherwise is explicitly understood from the context.

The Issuer:	Allgon AB (publ), reg. no. 556387-9955, a public limited liability company, having its registered address at Kronborgsgränd 7, 164 46 Kista, Sweden.
Status of the Bonds:	<p>The Bonds are debt instruments intended for public trading as set out in Ch. 1 Sec. 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>).</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.</p>
Transferability:	The Bonds are freely transferable.
ISIN-code:	SE0011282649
Short name:	ALLG 101
First Issue Date:	7 June 2018.
Nominal Amount:	The aggregate amount of the Initial Bond Issue will be an amount of SEK 276,000,000 which will be represented by Bonds, each of a nominal amount of SEK 2,000,000 or full multiples thereof (the “ Nominal Amount ”). All Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of one hundred (100.00) per cent of the Nominal Amount. The minimum permissible investment in connection with the Initial Bond Issue is SEK 2,000,000.
Subsequent Bond Issue:	The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000. The ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date and other rights applicable to the Bonds issued on the First Issue Date shall apply also to Subsequent Bonds. The price of Subsequent Bonds may

	be set at par, at a discount or at a higher price than the Nominal Amount.
Denomination:	The Bonds are denominated in SEK.
Early voluntary redemption by the Issuer (call option):	<p>The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.</p> <p>Redemption in accordance with shall be made by the Issuer giving not less than fifteen (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.</p>
Interest rate:	<p>Floating rate of STIBOR (3 months) + 675 basis points, <i>per annum</i>, with quarterly interest payments in arrears.</p> <p><i>Interest paid under the within the framework of the bond loan is calculated using the reference value STIBOR. The reference value STIBOR is provided by the Swedish Banking Association. As of the date of the Prospectus, the Swedish Banking Association is not registered in the register of administrators and reference values provided by ESMA in accordance with article 36 of (EU) Regulation 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “Benchmark Regulation”). As far as the Company is aware of, as of the date of the Prospectus, the transitional provisions in article 51 of the Benchmark Regulation is applicable which means that the Swedish Banking Association does not yet have to apply for authorization or registrations (or apply for equivalence, recognition or approval if the reference value is provided by an administrator located in a third country).</i></p>
Interest Payment Date:	7 March, 7 June, 7 September and 7 December 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 7 September 2018 and the last Interest Payment Date being the final Redemption Date).
Interest Period:	Each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of

	Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).
Final Redemption Date:	7 June 2022.
The right to receive payments under the Bonds:	Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a 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.
Change of Control Event (put option):	Upon a Change of Control Event, a De-listing Event or a 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 one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) Business Days following receipt of a notice from the Issuer of the relevant event. The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, the De-listing Event or the Listing Failure (as applicable).
Listing Failure Event:	Means the situation where the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date.
De-listing Event:	Means a situation whereby (i) the shares in the Issuer are not listed and admitted to trading on Nasdaq Stockholm, Nasdaq First North Premier or any other regulated or unregulated market place, (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days and such suspension is reasonably likely to have a Material Adverse Effect or (iii) the Bonds are de-listed from trading on Nasdaq Stockholm, Nasdaq First North Premier or any other regulated or unregulated market place and such suspension is reasonably likely to have a Material Adverse Effect.
Prescription:	The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalized Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer

is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

Action by Bondholders':

By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorizes 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 reorganization (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 authorization for the Agent to act on its behalf.

Agent:

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

Rating:

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

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

The Company will submit an application for listing of the 138 Bonds from the Initial Bond Issue, amounting to a total of SEK 276,000,000 on the Corporate Bond List on the regulated market Nasdaq Stockholm in connection with the approval of the Prospectus by the Swedish Financial Supervisory Authority (the "SFSA"). Each Bond has a Nominal Amount of SEK 2,000,000 denominated in SEK. The preliminary first trading date of the Bonds is on or about 1 August 2018.

The total framework for the Bond amounts to SEK 500,000,000.

Securities register (Sw. *skuldbok*):

The Bonds are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE 101 23 Stockholm, Sweden. Holdings of the Bonds are registered on behalf of the Holders 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.

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 SFSA and Nasdaq Stockholm (excluding Nasdaq Stockholm's annual fee) as well as fees to advisors is estimated to be approximately SEK 200,000.

Governing law:

The Bonds have been issued in accordance with Swedish law.

Withholding tax:

Euroclear Sweden AB or the trustee (in the case of nominee-registered securities) applies deduction for preliminary tax, currently 30 percent, on paid interest for natural persons resident in Sweden.

The above description does not constitute tax advice. The description is not exhaustive but is intended as a general information about some applicable rules. Creditors themselves will assess the tax consequences that may arise and consult tax advisors.

BUSINESS OVERVIEW

*The following overview of the Company's business also includes information about Allgon's acquisition of all shares in Tele-Radio International Holding AB ("**Tele Radio**") on 4 May 2018. The description regarding Allgon together with Tele Radio is referred to as the "**New Group**".*

Allgon

Overview of Allgon

Allgon is a Swedish group that invests in tech companies with a global client base within areas of digitalization, wireless communication and Industrial "Internet of Things" (IIOT). The driving force of Allgon's operations is the ongoing digitalization and the rapid development within the area of wireless communication, in which more and more data is sent remotely between people and machines and machine to machine.

Allgon's business is divided into three business areas, *Connectivity*, *Radio Remote Control* and *IIOT* for demanding environments. The subsidiaries Smarteq Wireless and Satmission are part of Connectivity, the subsidiary Åkerströms is part of Radio Remote Control and Wireless System Integration (WSI) and Industrial Internet of X (IIOX) are part of IIOT. The subsidiaries mainly operates independently in order to give all companies within Allgon a clear responsibility for their results, however with a common strategy as the fundament of the Group.

Allgon conducts its operations in Kista, Malmö, Björbo, Kalix and Tianjin and Shanghai in China with the head office in Kista, Stockholm. As of 31 march 2018, the Company had 111 employees, primarily employed in Sweden.

History of Allgon

The basis of what today is Allgon was laid down in the end of 2015 when Åkerströms was acquired (and was inaugurated in 2016) and at the same time decided to change the name of the parent company Smarteq AB (publ) into Allgon AB (publ). In connection with the acquisition of Åkerströms, Verdane VI and VI B and Tibia became new principal owners of Allgon, which they still are.

In 2016, Allgon acquired a fast growing company within IoT called WSI. In connection with the acquisition, Allgon created a new business segment for IIOT with the ambition to acquire additional companies within this segment. The same year, the subsidiary Smarteq Wireless was awarded the assignment to be antenna supplier for delivery of new electricity meters in Norway.

In March 2017, Allgon acquired Satmission. Satmission is a fast growing company that manufactures advanced antenna systems for satellite communication and equipment related to antenna systems for commercial purposes. In 2017, WSI was awarded the IoT Company of the year at the Swedish Mobile Awards. Furthermore in 2017, Allgon acquired the tech company IIOX which is a part of the IIOT business segment. IIOX develops and sells a cloud-based IoT platform for business applications within the industry and energy sector.

Business idea

The companies in the Allgon group develops, manufactures and sells wireless products and systems. By collecting relevant competences within a company, an offer is created which makes it easier to modernize, streamline and digitalize the business and increase its competitiveness.

Vision and ideology

Allgon's vision is to become the leading group within wireless products and systems for industrial applications and demanding environments. Allgon shall have a long-term perspective and conduct its business in an economic sound way and at the same time focus on sustainability. Allgon shall in its work also uphold positive and respectful relationships with all counterparties, including distributors, consultants and customers. All of the Company's business decisions shall be conscious, clear and to its nature sustainable, where consideration should be taken to the decision's effects on society. All of Allgon's partners shall feel safe with the fact that the Company acts in a professional manner at all time. A transaction involving Allgon shall be pervaded by respect and professionalism.

Business model

Allgon operates globally and offers products and systems for industrial demanding environments. Allgon consists of a number of subsidiaries specialized within their business segment. These subsidiaries develops, delivers and sells robust, wireless products and systems for the purpose of making companies more efficient and more competitive in an increasingly digitalized world. By collecting relevant competences within a company, a customer offer is created which makes it easier for the customer to modernize, streamline and digitalize the business and increase its competitiveness.

The Company's business operations are divided into three business areas, *Connectivity*, *Radio Remote Control* (Sw: *Radiostyrning*) and *IIOT*, which also constitute the Company's business segments.

Connectivity

The business area consists of the subsidiaries Smarteq Wireless and Satmission and offers communication solutions and antenna systems.

IIOT

The business area consists of the subsidiaries WSI and IIOX and assists companies with the development and industrialization of their products within IoT and advanced radio and develops and sells IoT platforms.

Radio remote control

The business area consists of the subsidiary Åkerströms and produces, markets and provides service of products and systems for radio remote control of industrial cranes, mobile applications, doorways and locomotives which can endure highly demanding environments.

Organization

Allgon consists of the parent company and ten subsidiaries where the substantial part of the operative business is performed by the subsidiaries that are divided into three business areas which is described above. Allgon is operated centrally by a management group consisting of the Company's Managing Director, CFO and the Managing Directors in Smarteq Wireless, WSI and Allgon Supply. The management in Allgon is responsible for the development of the Company's strategy and to evaluate potential acquisitions. Allgon Supply assist the core business areas and is responsible for Allgon's global purchases, its own production in China, business control and development of EMS partners in Asia and Europe and to provide technical customer and sales support in Asia. The control and financial control of Allgon Supply is managed centrally.

CONNECTIVITY

Smarteq Wireless

Smarteq Wireless develops and delivers antennas and antenna solutions with focus on high capacity, robustness and dependability. Smarteq Wireless works closely with its global customers, mainly within the vehicle, energy and industrial IoT segments. The company's product development team and R&D are based in Stockholm.

Products

The products are constructed to meet the high standards for connectivity and industrial applications. The company has a global logistics and production network for volume deliveries and complies with the highly set demands on quality and sustainability. The company is certified in accordance with ISO/TS 16949 and ISO 14001.

Customers

The customer base consists of companies which are at the technical forefront, for instance within smart meters and charging points for electrical cars and vehicles. Smarteq Wireless is a market leading deliverer of antennas for smart electricity meters in the Nordic countries and is an active development partner for customer customized and integrated antenna solutions for the automotive industry. Furthermore, the company has a large product portfolio of robust antennas and multi-functional antennas with high capacity.

Smarteq Wireless sells its solutions to global companies such as Bentley, Scania, Aidon, Kamstrup and E.ON. The strong confidence that the market has today relies on Smarteq Wireless's commercial expertise, customer focus, technical leadership and manufacturing efficiency, which has placed the company at the forefront of the antenna industry.

Sales

Today, the sales are made to nearly 40 countries, through direct sales to OEM and through distribution partners. Smarteq Wireless also owns the rights to market and sell the antenna producer Kathrein's aftermarket segment for vehicles. Smarteq Wireless has an effective global logistics and production network for volume deliveries and complies with very highly set standards on quality and durability.

Satmission

Satmission was founded in Kalix 2004 and develops and manufactures mobile satellite communication systems for broadcasting. Satmission's satellite dishes are specifically developed for media and television companies that needs fast data transmission speeds for live reports, even under the most extreme weather and temperature conditions. The antennas are designed to be able to broadcast content to and from areas where the internet infrastructure is limited.

Products

The company has two product categories, Driveway and Flyaway. The Driveway antennas are mounted on the top of smaller vehicles, larger vans and trucks. The Flyaway antennas are developed with ease of use in focus, meaning that they do not require any technical knowledge to be mounted and to begin live broadcast. Satmission also offers streaming services over LTE and satellite for their customers. Satmission's antenna solutions cover all broadcast satellite bands.

Customers

Satmission's customer base is active primarily in television, radio, telecom and news reporting. Satmission has customers like Hessischer Rundfunk (HR), Radio-télévision belge de la Communauté culturelle française (RTBF), the state television company of Czech Republic, Sutcast and Chinese Putian TV.

Sales

Sales are made to partners.

INDUSTRIAL IOT

WSI

WSI was founded in 2002 and is an established design house that takes global companies' technical product visions from idea to volume production within industrial IoT and advanced wireless communication. The company specializes in the development and industrialization of other companies' sensor based- IoT solutions that are packed with wireless technology. In March 2017, WSI was awarded the IoT Company of the year by the research company Mobile Institute who also hosts the annual Swedish Mobile Awards. WSI received the award for its large number of successful projects with Swedish and international customers.

Customer offer

WSI's competence lies in business development, system architecture, industry hardware, software and mechanical design. WSI has its own staff, smart design processes and ready-to-use business solutions to support companies wanting to digitalize their products. WSI also has its own test facilities, at the same time as they work close with accredited quality control companies such as Intertek, Cetecom and Delta.

Customers

The customer portfolio ranges from smaller companies in an early product development phase to major international players in many different industries. Among the customers are both enterprise companies such as Assa Abloy, Atlas Copco, Husqvarna and innovative technology companies like NorthStar and myFC. WSI also collaborates with a wide range of renowned partners and distributors such as Cybercom, Nordic Semiconductors, Telit, Sierra Wireless and uBlox.

Sales

Sales are made through direct sales to end customer.

IIOX

IIOX offers a secure IoT platform for business applications primarily in the industry and energy sectors. The cloud-based platform collects, harmonizes, aggregates and distributes machine data in real time and converts it into useful

information. When IIOX is added to the existing operational technology and IT environments, it enables new digital capabilities. These, in turn, improve the efficiency of the existing business and facilitates new business models and innovation of new services.

Products

IIOX is a cloud-based IoT platform that collects data in real time and transforms it into information that creates value for operational decision support, strategic analysis and modeling. IIOX is integrated into the existing IT infrastructure, regardless of physical and geographical location. IIOX manages machine and system-generated data from different environments that combine real-time data with historical patterns, giving an overall picture of the entire business. The platform is designed to easily integrate with existing infrastructure in a variety of environments. The platform also includes features for management of devices, users, access and permissions, modeling, organization, and software, which means it contains all the necessary functionality.

Customers

Amongst IIOX customers are international companies, such as E.ON and DeLaval, as well as, innovative companies such as Liros Power Solution. In addition to IIOX existing customer base, it is possible for IIOX to develop and offer a joint customer offer especially with WSI.

Sales

Sales are made through services provided by consultants.

RADIO REMOTE CONTROL

Åkerströms

Åkerströms develops, produces, markets and provides service of products and systems for radio remote control of industrial cranes, mobile devices and doorways which can endure highly demanding environments. The operations are run from the head office in Björbo, where all technical development takes place.

Products

Åkerströms' main product groups are Sesam and Remotus. The Sesam product range consist of standardized products for robust radio remote control and radio remote control of smaller industrial and mobile devices. The area of use of the applications include opening/closing of doorways, bars and gates, as well as switching on and off fans and headlights, steering of tailgate lifts, winches, forestry machines and more.

The Remotus products are robust and customer adaptable for steering of industrial cranes, traverses, vacuum trucks, mobile cranes and tow trucks. Many of Åkerströms' products have been specially tailored to meet specific and complex customer needs over the years. This, in turn, means that the systems need regular service and new spare parts, which is a major part of the company's total business.

Customers

Åkerströms has a wide customer base that demands a wide variety of solutions. Customers are active in the mining, paper mills, steel mills and nuclear power industries. Among the customers are companies such as Kone Cranes, Atlas Copco and SSAB. Åkerströms' customers are located primarily in Sweden and in Baltic Sea area. Åkerströms' has approximately 1,500 customers in total, of which the largest accounted for only about 5 percent of net sales in 2017 and the ten largest customers accounted for approximately 30 percent of net sales 2017.

Sales

Sales are made direct to the end customers through selected local distributors and partners who also handle installation and training. Åkerströms has partners in Sweden, the Nordic countries, Europe, Brazil, Chile, China, Australia and the United States, who possess high competence in relevant application areas.

The New Group

Introduction to the New Group

On 4 May, 2018, Allgon announced that the Company had entered into an agreement to acquire Tele Radio. The acquisition of Tele Radio contributes to strengthening Allgon's position within the Radio Remote Control business area, where Åkerströms is included. The acquisition gives the business area a global market share of approximately

seven percent. In addition to strengthening its position in the Radio Remote Control business area, the acquisition also gives access to a number of new geographic markets. The Company also believes that the acquisition may provide benefits to Allgon's two other business areas, Connectivity and IIOT, as the significant customer base can enable add-on sales between the business areas.

Objectives and acquisition strategy for the New Group

In the period after the acquisition, the Company will primarily focus on integrating Tele Radio and derive identified synergies. During the integration phase, the New Group will focus on organic growth.

Motives of the transaction

Allgon believes that the strategic and financial motives behind the acquisition are convincing and that the merger is expected to result in the formation of a prominent global player in the Radio Remote Control business segment. The acquisition of Tele Radio results in a significant progress in realizing the Company's strategy of creating a corporate group that develops and supplies wireless communications solutions for industrial and robust environments on the global market.

Perfect strategic match with complementary offer and geographic coverage

Both Åkerströms and Tele Radio's products can be customized. Tele Radio has a wide range of products, from premium systems to input systems which all are modular. The companies complement each other geographically, where Åkerströms focuses on Sweden, the Nordic and Baltic countries, which fits well with Tele Radio's global network of subsidiaries. Together, they both create a global sales platform with a wide network of subsidiaries, distributors and partners.

An increased customer base means significant opportunities for cross-selling between the business areas

Åkerströms' customer base consists of approximately 1,500 customers, which usually requests demand-driven solutions for industrial and mobile devices. Among the customers are companies such as, Kone Cranes, Atlas Copco and SSAB. Tele Radio has a large and attractive customer base consisting of approximately 6,500 customers. In comparison with Åkerströms' customers, Tele Radio's customers are mainly international customers. Among the customers are Kone Cranes, Volvo, Schneider Electric and Kito. Åkerströms and Tele Radio together have a customer base of approximately 8,000 customers. The new customers open up opportunities for increased sales of radio remote control products and solutions, but also complementary products and services from the Company's two other business areas.

INFORMATION REGARDING THE COMPANY'S FINANCIAL REPORTING

The historical financial information in the Prospectus consists of the Company's consolidated financial information for the financial year ended 31 December 2017 and has been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB) and as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*). The annual report for the financial year ended 31 December 2017 has been audited by the Company's auditor.

Furthermore, the historical financial information in the Prospectus consists of the Company's interim financial report for the period 1 January - 31 March 2018 prepared in accordance with IFRS and IAS 34. The interim financial report for the period 1 January - 31 March 2018 has not been review or audited by the Company's auditor.

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

The Company's annual report for the financial year ended 31 December 2017 and the interim financial report for the period 1 January - 31 March 2018 is available at the Company's web page, allgon.se/investerare/.

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

Allgon is a Swedish public limited liability company. The Company's corporate governance is based on Swedish law and internal rules and instructions. The Company does not apply the Swedish Corporate Governance Code as of the date of the Prospectus.

Board of Directors

The Board of directors shall, as determined by the shareholder's meeting, consist of no less than three (3) and no more than eight (8) members. As of the date of the Prospectus, Allgon's Board of Directors consists of five (5) ordinary members, including the chairman of the Board, with no deputy Board member, all of whom are elected for the period up until the end of the annual shareholders' meeting 2019. The table set out the members of the Board of Directors and the year of their initial appointment.

Name	Position	Member since
Sven von Holst	Chairman of the Board	2016
Björn Lindblom	Member of the Board	2017
Ingalill Östman	Member of the Board	2016
Anders Björkman	Member of the Board	2015
Per Nordlander	Member of the Board	2016

Sven von Holst (Chairman)

Born: 1948

Sven von Holst has been involved in Allgon since 2016 and has a Bachelor's Degree in Political Science from the University of Gothenburg. Sven von Holst also has experience from senior management positions in STORA and Stora Enso within the areas of communication, marketing and sales. Sven von Holst previously worked with corporate development, acquisitions, business transformation processes and in international board assignments.

Other current significant assignments: Managing Director and Chairman of the Board in Mora Frozen Tracks AB. Chairman of the Board in Året runt i Sälen AB. Member of the Board in Biathlon Events i Sverige AB and Sven von Holst AB. Deputy member of the board in SveLis AB.

Björn Lindblom

Born: 1966

Björn Lindblom has been involved in Allgon since 2017 and has diploma as market economist from IHM Business School. Björn Lindblom is a multi-entrepreneur with over twenty years of experience from a wide range of business areas. Among other things, Björn Lindblom has worked in the role as Managing Director in Connode AB. In 2016 Björn Lindblom worked with the sale of Connode to Cyan Technologies (listed on the London Stock Exchange). Björn Lindblom previously worked in senior management positions in telecommunication companies, such as Ericsson and MCI Worldcom.

Other current significant assignments: Member of the Board and Managing Director in Rör och VVS Center i Sollentuna Aktiebolag. Chairman of the Board in Luvly AB. Member of the Board in Björn Lindblom Konsultation AB, Simplex Förvaltning AB, Björn Lindblom Invest AB and B Lindblom AB.

Ingalill Östman

Born: 1956

Ingalill Östman has been involved in Allgon since 2016 and holds a Master in Mechanical Engineering from Luleå University of Technology. Ingalill Östman is, as of the date of Prospectus, Director of Communications in Castellum AB. Ingalill Östman is also a member of the Board in Ovako Group AB and member of the Board and member of the audit committee in Länsförsäkringar Göteborg and Bohuslän. Ingalill Östman has a vast experience from senior management positions within ABB in Sweden.

Other current significant assignments: Director of Communications and member of the group management in Castellum AB. Member of the Board in Ioway AB, Länsförsäkringar Göteborg and Bohuslän and Fastighets AB Regeringsgatan.

Anders Björkman

Born: 1959

Anders Björkman has been involved in Allgon since 2015 and holds a Master in Electrical Engineering from Chalmers University of Technology. As of the date of Prospectus, Anders Björkman is engaged in a number of companies as Member of the Board and advisor and has previously worked in senior management positions in OnePhone, Argnor Wireless Ventures, SEC and Tele2. Anders Björkman has a vast experience of acting as Member of the Board in private and listed companies in Europe and the US and also within private equity companies.

Other current significant assignments: Chairman of the Board in LevUpp AB, Parktrade Europe AB, Maintrac AB and Maintrac Holding AB. Member of the Board in Tele2 AB, Maven Wireless AB and Digital Trading Technologies Limited T/A Consumer Data Protection.

Per Nordlander

Born: 1967

Per Nordlander has been involved in Allgon since 2016 and holds a Master in Technical Physics and Computer Science from Uppsala University and the University of Berlin and has in addition studied at Stockholm School of Economics. Per Nordlander is a partner at Verdane Capital, where he has worked since 2007. Per Nordlander has a vast experience as entrepreneur and in executive positions within the areas of financial services and the tech sector. Per Nordlander was the founder and Managing Director of Avanza and Nordnet, both listed on the Stockholm Stock Exchange. He is also a member of the Board in the Swedish insurance company Skandia since 2014.

Other current significant assignments: Chairman and member of the Board in Verdane Holding 26 AB, Verdane Cinq Beta AB, Verdane Cinq Group AB, Verdane Cinq AB, Verdane Estate Holding AB, Verdane Alexander Holding AB, Estate Primo Holding AB and Bellman Group AB (publ). Member of the Board in Scanacon Holding AB, Scanacon Intressenter AB, NF Holding AB, BEWI Group AB (publ), Arctic Mill AB Nordic Finance Business Partner AB, Arctic Rose AB, Verdane Capital Advisors IX AB, Verdane Capital IX (D) AB, Verdane Capital IX (E) AB, Estate Group Sverige AB, VCA IX Hold Co II AB, Novy Holding AB, Nova Intressenter AB and Livförsäkringsbolaget Skandia, ömsesidigt.

Senior management

Johan Hårdén (CEO)

Born: 1976

Johan Hårdén has been involved in Allgon since 2012 and holds a Master of Laws from Stockholm University. Johan Hårdén has been the CEO of the Group since 2016 and was previously Managing Director in Smarteq (subsidiary of Allgon) 2012-2015.

Other current significant assignments: Chairman of the Board in Töre Service Center Aktiebolag and deputy member of the board in Hotelpocket AB.

Sten Hildemar (CFO)

Born: 1962

Sten Hildemar is since 2014 employed as the CFO of Allgon. Sten Hildemar is an economist educated at Stockholm University and has comprehensive IFRS competence and has, among other things, been CFO in a number of listed companies during their IPO processes.

Other current significant assignments: Member of the Board in Tenkob Invest Aktiebolag, Recapital Aktiebolag, Roberto Vivar Medical AB, Stalmar Förvaltning AB and HotelPocket AB.

Yasemin Heper Mårtensson (CEO of Smarteq AB)

Born: 1973

Yasemin Heper Mårtensson has been the CEO of Smarteq AB since 2016. Yasemin Heper Mårtensson holds a Master in Mechanical Engineering from the Royal Institute of Technology in Stockholm. She has over twenty years of experience from working on operative and strategic levels within the telecom sector, the industry sector and the automotive industry, in all sorts of companies from small family owned companies to large global companies.

Other current significant assignments: Member of the Board in Aktiebolaget Underphone, S.A.B.-Plast, Stig Baumer Aktiebolag, Inspirico AB and deputy member of the board in SAB-Plast Holding AB.

Christan Olsson (CEO of Allgon Supply)

Born: 1973

Christan Olsson is Managing Director of Allgon's subsidiary Allgon Supply AB (during 2016 he was COO of Allgon AB and CEO of Allgon Asia) and holds a Master in Mechanical Engineering focused on quality and corporate development from Linköping University. Christian Olsson has over twenty years of experience from the telecom sector and over 13 years of experience from the automotive industry.

Other current significant assignments: Deputy member of the board and partner in RELAC Concept AB.

Jan-Åke Lindqvist (Co-founder and Managing Director of Wireless System Integration)

Born: 1971

Jan-Åke Lindqvist holds a reserve officer degree. Jan-Åke Lindqvist was the co-founder of Wireless System Integration in 2002 and since then he has also acted as Managing Director in the company.

Other current significant assignments: Member of the Board in Communications of CARL AB and JXJ Invest AB.

Auditor

Grant Thornton Sweden AB was elected as the Company's auditor at the Annual General Meeting on 15 May 2018 with Erik Uhlén as the auditor in charge. Erik Uhlén is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Erik Uhlén's office address is C/o Grant Thornton, Sveavägen 20, 103 94 Stockholm.

Ernst & Young AB was the Company's auditor throughout the period covered by the historical financial information in the Prospectus with Per Hedström (born 1964) as the auditor in charge. Per Hedström is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Per Hedström's office address is C/o Ernst & Young AB, Box 7850, 103 99 Stockholm. The reason for the change of auditor was due to the procurement of a new auditor.

Other information about the Board of Directors and senior management

There are no family ties between any of the members of the Board of Directors or senior management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of directors and senior management of the Company and their private interests and/or other undertakings.

All members of the Board of Directors and the members of the senior management are available at the Company's head office in Kista, Sweden.

Financial interests

All members of the Board of Directors and the senior management have a financial interest in the Company through their direct and indirect, holdings of shares in the Company.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

General

The Company's legal name and trade name is Allgon AB (publ), registration number 556387-9955, having its registered address at Kronborgsgränd 7, 164 46 Kista, Telephone: +46 (0)8 792 92 00, and is the issuer of the Bonds. The Company's business is conducted in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen*) (SFS 2005:551) and governed by Swedish law. The Company is a Swedish public limited liability company that was formed in Sweden and registered with the Swedish Companies Registration Office on 7 March 1990. The current legal name of the Company was registered on 7 January 2016. The Company's registered office is located in Stockholm, Sweden.

Share capital

The Company has two classes of shares, class A and B. As of the date of the Prospectus, no class A shares have been issued. In accordance with the Company's Articles of Association adopted by the General Meeting on 4 May 2016, the share capital must be no less than SEK 80,000,000 and not exceed SEK 320,000,000, and the number of shares shall be not less than 16,000,000 and not exceed 64,000,000. As of the date of the Prospectus, the Company's share capital amounted to SEK 232,209,453.29 distributed among a total of 46,441,890 shares. The shares are denominated in SEK and each share has a nominal value of approximately SEK 5.00. All issued shares are fully paid. All shares have equal voting rights at a general meeting and carry equal rights to dividends as well as the Company's assets and any surplus in event of liquidation.

Articles of association

In accordance with clause 3 of the Company's articles of association the Company's object should be to manufacture, buy and sell gadgets for mobile communication and to conduct activities related to the aforementioned.

Group structure

Allgon is the parent company of the Group which consist of ten direct and indirect wholly owned subsidiaries. All companies within the Group, except for two of the subsidiaries which are operative and formed in Tianjin and Shanghai (China), are formed and operative in Sweden. All of the subsidiaries are wholly owned, except for Industrial Internet of X AB, which is owned to 99.9 percent. As of the date of the Prospectus, Allgon has an ongoing process of acquiring the remaining shares of Industrial Internet of X AB through a non-cash issue. The Company owns 0.4 percent of the total share capital in the associated company, Björbo Fastighets AB.

The Company is consequently dependent on these group companies for the generation of profits and cash flow to service its payment obligation under the Bonds. A significant part of the Group's assets and revenues relate to the Company's subsidiaries.

Ownership structure

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the Board of directors and the instructions for the managing director adopted by the Company.

The Company has two share classes, A and B shares. No class A shares have been issued as of the date of the Prospectus. As of the date of the Prospectus, the total number of outstanding shares in Allgon amounts to 46,441,890. The following shareholders in Allgon are, as of 30 June 2018 including any known subsequent changes, holders of five percent or more of the share capital or votes: (i) Verdane Capital VI (30.99 percent of the share capital and votes); (ii) Tibia Konsult AB (12.36 percent of the share capital and votes); (iii) Verdane Capital VI B (10.30 percent of the share capital and votes); (iv) Arne Wennberg (7.60 percent of the share capital and votes); and (v) Jan Robert Pärsson (5.90 percent of the share capital and votes).

Shareholders' agreements

To the best of the Company's knowledge no shareholders' agreements or other agreements exists, between the present shareholders in the Company, for the purpose of creating joint influence over the Company or changing the control of the Company.

Material contracts

Share purchase agreement with Tele-Radio International Holding AB

On 4 May 2018, Allgon entered into a share purchase agreement with Tele-Radio International Holding AB regarding the acquisition of all shares in Tele-Radio International Holding AB. The purchase price amounts to approximately SEK 300 million on a cash and debt-free basis with a possible additional purchase price of SEK 50 million. The acquisition of Tele Radio is conditional upon Allgon receiving funding of SEK 350 million through a combination of issue of shares and borrowing or issuance of debt instruments to complete the acquisition. The share purchase agreement will be terminated if the terms of the agreement are not fulfilled by 31 August 2018. Provided that the terms of the share purchase agreement are fulfilled, the completion of the acquisition will be on 31 July 2018.

Supplier agreement with Polytech

In March 2008, Smarteq Wireless AB ("**Smarteq**") entered into to a general agreement with the Taiwanese company Polytech International Ltd ("**Polytech**") regarding delivery of, mainly, finished and tested antennas. Polytech is Smarteq's largest supplier and accounts for over half of Smarteq's annual purchases. The general agreement governs the overall terms and conditions of the parties' commitments and specific terms and other information, such as price, in the orders that Smarteq makes regularly. The general agreement contains provisions on intellectual property rights and confidentiality and responsibility for quality and delivery liabilities. The general agreement is valid until further notice without any prescribed period of termination.

Acquisition of Satmission

On 10 May 2017, Allgon closed the acquisition of 100 percent of the share capital in Satmission AB. The purchase price amounted to a total of SEK 22.5 million, of which SEK 5.0 million was paid in cash on the acquisition day and SEK 17.5 million was paid through newly issued shares in Allgon AB. The additional purchase price falls due if the gross profit for 2017, 2018 and 2019 exceeds a threshold amount of SEK 18 million. The additional purchase price is expected to expire for 2018 and 2019 and is expected to amount to SEK 7 million to be paid divided into SEK 3.5 million in 2019 and SEK 3.5 million in 2020. The additional purchase price has been discounted to 4 percent interest.

Acquisition of Industrial Internet of X AB

On 29 December 2017, Allgon closed the acquisition of 99.6 percent of the shares in Industrial Internet of X AB ("**IIOX**"). The purchase price was paid by the owners of IIOX by receiving 546,937 shares in Allgon AB, corresponding to a purchase price of SEK 4.8 million based on the share price on the transaction day. In addition, Allgon took over the claims of IIOX from the seller amounting to SEK 7.4 million which, in connection with the acquisition, had been transferred as an unconditional shareholders' contribution. The purchase price was regulated through an issue of 812,307 shares in Allgon against set-off of claims.

Contribution agreements

During the fiscal year 2017, the Group received state aid in the amount of SEK 1.24 million. The largest post of the contribution amounted to SEK 0.9 million and was received from Vinnova to be used for product development and innovation. For the fiscal year 2018, the Group expects to receive SEK 2.0 million in respect of already approved but unpaid contributions. The Group's state aid agreements are subject to certain conditions relating to compliance with applicable laws and regulations, *inter alia*, that contributions are used for the designated purpose of the application made by Allgon, as well as compliance with other, in relation to Allgon's business, regulatory requirements. The contributions that the Group is granted are financially reported in accordance with the matching cost, for example, contributions for personnel development are reported as reduced payroll expenses.

Shareholder loans

In connection with the acquisition of Wireless System Integration Sweden AB, a loan was raised from the shareholder Tibia Konsult AB in the amount of SEK 15 million at an interest rate of 8 percent. The loan expires on 31 July 2018. In connection with the acquisition of Satmission AB, a loan of SEK 6.5 million was raised by the shareholder TAMT at an interest rate of 12 percent. The loan expires on 31 July 2018.

Disputes

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

Significant adverse changes

On 4 May 2018, Allgon entered into a share purchase agreement with Tele-Radio International Holding AB regarding the acquisition of all shares in Tele-Radio International Holding AB. The purchase price amounts to approximately SEK 300 million on a cash and debt-free basis with a possible additional purchase price of SEK 50 million. The acquisition of Tele Radio is conditional upon Allgon receiving funding of SEK 350 million through a combination of issue of shares and borrowing or issuance of debt instruments to complete the acquisition. The share purchase agreement will be terminated if the terms of the agreement are not fulfilled by 31 August 2018. Provided that the terms of the share purchase agreement are fulfilled, the completion of the acquisition will be on 31 July 2018.

Other than the above stated, there has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report (published on 9 April 2018) 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 (annual report 31 December 2017).

The Company is of the opinion that, as of the date of the Prospectus, there are no known trends, uncertainty factors, potential claims or other requirements, obligations or events, in addition to those described in the section “*Risk factors*”, that can be expected to have a significant impact on the Company’s business outlook in the current financial year.

The Company is unaware of any public, economic, tax policy, monetary policy or other political measures which, directly or indirectly, significantly impacted or could significantly impact the Company’s activities.

Recent events

Except for the above stated regarding the acquisition of all shares in Tele Radio and the issuance of the Bonds, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company’s solvency.

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of the Prospectus at the Company’s head office and are also available at the Company’s web page <http://allgon.se/investerare/>.

(i) The articles of association of the Company and

(ii) The document which by reference is a part of the Prospectus, including historical financial information for the financial years 2017 and 2016 of the Company and its subsidiaries. See section “*Selected historical financial information*”.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of the following reference in the below document that is incorporated by reference.

Allgon's consolidated audited annual report for the financial year ended 31 December 2017:

- Auditor's report Page 60-62

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

The annual report for the financial year ended 31 December 2017 will, during the validity period of the Prospectus, be available in electronic form at Allgon's web page:

<http://www.allgon.se/wp/wp-content/uploads/2018/04/Arsredovisning2017.pdf>.

TERMS AND CONDITIONS OF THE BONDS

**TERMS AND CONDITIONS FOR
ALLGON AB (PUBL)**

SEK 500,000,000

**SENIOR SECURED CALLABLE FLOATING RATE
BONDS 2018/2022**

ISIN: SE0011282649

First Issue Date: 7 June 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.

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**TERMS AND CONDITIONS FOR
ALLGON AB (PUBL)
MAXIMUM SEK 500,000,000
SENIOR SECURED CALLABLE FLOATING RATE
BONDS 2018/2022
ISIN: SE0011282649**

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) and, for the avoidance of doubt, in respect of the Target group, any adjustment made from GAAP to IFRS.

“**Acquisition Failure Event**” means if the acquisition of the Target is not completed at the latest on 31 August 2018 or if the acquisition of the Target is annulled by the Swedish Competition Authority (Sw. *Konkurrensverket*).

“**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 the Issuer, a Group Company or an Affiliate of the Issuer or a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means (i) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than one hundred twenty (120) calendar days after the date of supply, or (ii) any other trade credit incurred in the ordinary course of business.

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

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

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

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

“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:

- (a) for the purpose of the Incurrence Test, that the calculation of the ratio of Net Interest Bearing Debt to Pro Forma EBITDA shall be made as per a testing date determined by the Issuer, falling no more than two (2) months prior to the incurrence of the new Financial Indebtedness (including any Subsequent Bond Issue), which requires that the Incurrence Test is met;
- (b) for the purpose of the Distribution Test, that the calculation of the ratio of Net Interest Bearing Debt to Pro Forma EBITDA shall be made as per a testing date determined by the Issuer, falling no more than two (2) months prior to the payment of the Restricted Payment, which requires that the Distribution Test is met;
- (c) that the Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the Restricted Payment or the new Financial Indebtedness (as applicable), provided that such Financial Indebtedness is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt);
- (d) that the calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report; and
- (e) that the figures for EBITDA, Finance Charges and Net Finance Charges for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used, but adjusted so that:
 - (i) any Bond that has been repurchased, and not resold, by any Group Company during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period;

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- (ii) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
 - (iii) any entity to be acquired with the proceeds from Financial Indebtedness shall be included, *pro forma*, (taking into account (including or excluding (as applicable)) any adjustments to EBITDA due to such entity to be acquired accounts in GAAP and items according to GAAP has been accounted for as one-off, non-recurring, extraordinary or exceptional items) for the entire Relevant Period.

“Call Option” means an early voluntary redemption by the Issuer made in accordance with Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*).

“Call Option Price” means:

- (a) The Make Whole Price if the Call Option is exercised before the First Call Date;
- (b) 100.00 per cent. plus 25.00 per cent. of the Margin of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but excluding) the date falling 42 months after the First Issue Date;
- (c) 100.00 per cent. plus 15.00 per cent. of the Margin of the Nominal Amount if the Call Option is exercised on or after the date falling 42 months after the First Issue Date up to the Final Redemption Date; or
- (d) 100.00 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 45 months after the First Issue Date up to the Final Redemption Date, provided the Bonds are refinanced with a Market Loan.

“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 a shareholder which was a shareholder at the First Issue Date) acting together, acquire control over the Issuer and where **“control”** means (i) acquiring or controlling directly more than fifty (50.00) per cent. of the votes of the Issuer, or (ii) the right to directly appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“Compliance Certificate” means a certificate, substantially in the form provided to the Agent as a Conditions Precedent for Disbursement, signed by 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 the payment of any Restricted Payment or the incurrence of any new Financial Indebtedness (including any Subsequent Bond Issue), which requires that the Distribution Test or the Incurrence Test is met, that the relevant Distribution Test or Incurrence Test is met (as

applicable) and including calculations and figures in respect of the ratio of Net Interest bearing Debt to Pro Forma EBITDA and the Interest Coverage Ratio, and (iii) in respect of any Compliance Certificate delivered in connection with a Financial Report in respect of a Relevant Period ending on or after 31 December 2018, whether the Maintenance Test is satisfied or not (including calculations and figures in respect of the ratio of Net Interest bearing Debt to Pro Forma EBITDA).

“Conditions Precedent for Disbursement” means all actions and documents set forth in Clause 14.1.

“Conditions Subsequent” means all actions and documents set forth in Clause 15 (*Conditions Subsequent*).

“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.

“Cure Amount” has the meaning set forth in Clause 12.2.1.

“De-listing Event” means a situation whereby (i) the shares in the Issuer are not listed and admitted to trading on Nasdaq Stockholm, Nasdaq First North Premier or any other regulated or unregulated market place, (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days and such suspension is reasonably likely to have a Material Adverse Effect or (iii) the Bonds are de-listed from trading on Nasdaq Stockholm, Nasdaq First North Premier or any other regulated or unregulated market place and such suspension is reasonably likely to have a Material Adverse Effect.

“Derivative Transaction” has the meaning set forth in item (f) of the definition “Permitted Debt” below.

“Distribution Test” means the Distribution Test for Restricted Payments which is met if the ratio of Net Interest Bearing Debt to Pro Forma EBITDA is not greater than 3.00, calculated in accordance with the Calculation Principles.

“Earn-out Obligation” means any obligations to pay a vendor an additional compensation calculated on the basis of positive EBITDA performance of the acquired asset.

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any one-off, non-recurring, extraordinary or exceptional items;
- (d) not including any accrued interest owing to any Group Company;

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- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
 - (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
 - (g) not including any revaluation of amounts payable under contractual Earn-out Obligations relating to acquisitions made by the Group regardless of how such Earn-out Obligations are accounted for in the Accounting Principles;
 - (h) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
 - (i) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; 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 Clause 12.2.1.

"Escrow Account" means the Issuer's bank account held with the escrow bank and which has been pledged under the Escrow Account Pledge Agreement.

"Escrow Account Pledge Agreement" means the pledge agreement entered into between the Issuer and the Agent before the First Issue Date in respect of a first priority pledge over the Escrow Account and all funds standing to the credit of the Escrow Account from time to time, granted in favour of the Agent and the Holders (represented by the Agent).

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

"Exercise Period" has the meaning set forth in Clause 11.4.1.

"Final Redemption Date" means 7 June 2022.

"Finance Charges" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable (excluding any capitalised interest) 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 Documents" means these Terms and Conditions, the Agent Agreement, the Escrow Account Pledge Agreement, the Security Documents and any other document designated by the Issuer and the Agent as a Finance Document.

"Financial Indebtedness" means any indebtedness in respect of:

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- (a) monies borrowed or raised, including Market Loans;
 - (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases (the “**Operational Lease Freeze**”);
 - (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
 - (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 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 items (a)-(f), however always excluding any parent guarantee (Sw. *moderbolagsborgen/moderbolagsgaranti*) by the Issuer or any other Group Company.

“**Financial Report**” means the annual audited consolidated financial statements of the Group or the quarterly interim unaudited consolidated reports of the Group, which shall be prepared and made available according to Clause 13.8.1 (a) and (b) (as applicable).

“**First Call Date**” means the date falling thirty-six (36) months after the First 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.

“**First Issue Date**” means 7 June 2018.

“**Force Majeure Event**” has the meaning set forth in Clause 28.1.

“**Group**” means the Issuer and all the Subsidiaries from time to time (each a “**Group Company**”).

“**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 19 (*Holders’ Meeting*).

“Incurrence Test” means the Incurrence Test for the incurrence of Financial Indebtedness which is met if:

- (a) the ratio of Net Interest Bearing Debt to Pro Forma EBITDA is not greater than 3.00 during the period from (and including) the First Issue Date up to (and including) the Final Redemption Date; and
- (b) the Interest Coverage Ratio exceeds 3.00 during the period from (and including) the First Issue Date up to (and including) the Final Redemption Date,

calculated in accordance with the Calculation Principles.

“Initial Bond Issue” means the issuance of the Bonds on the First Issue Date.

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

“Interest Coverage Ratio” means the ratio of Pro Forma EBITDA to Net Finance Charges.

“Interest Payment Date” means 7 March, 7 June, 7 September and 7 December 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 7 September 2018 and the last Interest Payment Date being the final Redemption Date).

“Interest Period” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“Interest Rate” means a floating rate of STIBOR (3 months) + 675 basis points (the **“Margin”**), *per annum*, with quarterly interest payments in arrears.

“Issuer” means Allgon AB (publ), reg. no. 556387-9955, Kronborgsgränd 7, 164 46 Kista, Sweden.

“Issuer Loans” means any loans related to the Net Proceeds from the Issuer to a Material Group Company from time to time which shall in case of any loan exceeding SEK 25,000,000 be subject to security under the Issuer Loans Pledge Agreement.

“Issuing Agent” means ABG Sundal Collier ASA, reg. no. 883 603 362, P.O. Box 1444 Vika, 0115 Oslo, Norway, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD regulations.

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

“Issuer Loans Pledge Agreement” means the pledge agreement entered into between the Issuer and the Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) regarding a first priority pledge (with late perfection permitting the payment of principal and interest under the Issuer Loans until an acceleration of the Bonds due to an Event of Default) of all the Issuer’s money claims under the Issuer Loans.

“Maintenance Test” has the meaning set forth in Clause 12.1.2.

“Make Whole Price” means in respect of a redemption from the First Issue Date to, but not including, the First Call Date a price equivalent to the sum of:

- (a) the present value on the relevant record date of 100.00 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining interest payments (excluding accrued but unpaid Interest up to 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 bondholders),

both present values under items (a) and (b) above calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) (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 payment.

“Margin” has the meaning set forth in the definition “Interest” above.

“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 (i) the business, financial condition or operations of the Group taken as a whole (but for this purpose, an event which is likely to affect the ability of the Group to perform its obligations in respect of the Maintenance Test shall not, for that reason alone, be a Material Adverse Effect), (ii) the Issuer’s ability to perform and comply with its payment obligations under the Finance Documents or (iii) the validity or enforceability of the Finance Documents.

“Material Group Company” means the Issuer, the Target or any wholly owned Subsidiary representing more than 10.00 per cent- of the Pro Forma EBITDA of the Group on a consolidated basis according to the latest Financial Report.

“Nasdaq Stockholm” means the Regulated Market of Nasdaq Stockholm Aktiebolag (reg. no. 556420-8394, SE-105 78 Stockholm, Sweden).

“Net Finance Charges” means, for the Relevant 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 investments of the Group.

“Net Interest Bearing Debt” means the aggregate interest bearing debt (excluding any interest bearing debt borrowed from any Group Company and excluding any contractual Earn-out Obligations relating to acquisitions made by the Group regardless of how such Earn-out Obligations are accounted for in the Accounting Principles) less cash and cash equivalents of the Group according to the latest Financial Report or per the relevant testing date if measured in relation to the Distribution Test or the Incurrence Test (as applicable), in accordance with the Accounting Principles, adjusted in accordance with the Operational Lease Freeze.

“Net Proceeds” means the proceeds from the Initial Bond Issue which, after deduction has been made for the transaction costs payable by the Issuer to the bookrunner(s) for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Escrow Account and released from such account when the Conditions Precedent for Disbursement have been fulfilled.

“New Issue Failure” means if the new issue of shares in the Issuer (to be made in connection with the acquisition of the Target) does not raise at least SEK 100,000,000 at the latest on 31 August 2018.

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

“Operational Lease Freeze” has the meaning set forth in item (b) of the definition “Financial Indebtedness” above.

“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.

“Permitted Basket” has the meaning set forth in item (m) of the definition “Permitted Debt” below.

“Permitted Debt” means any Financial Indebtedness:

- (a) incurred under the Finance Documents (including pursuant to any Subsequent Bond Issue, if such incurrence meets the Incurrence Test (calculated *pro forma* including such issue));
- (b) 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;

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- (c) related to any agreements under which a Group Company leases premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
 - (d) taken up from a Group Company or granted to a Group Company by a Group Company;
 - (e) in respect of any subordinated non-cash interest loans owed by the Issuer to its direct or indirect shareholders up to an aggregate amount of SEK 30,000,000 from time to time;
 - (f) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) ("**Derivative Transaction**");
 - (g) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met (calculated *pro forma* including the acquired entity in question), however should the Incurrence Test not be met, a clean-up period of ninety (90) calendar days is permitted to unwind such Financial Indebtedness;
 - (h) arising under any contractual Earn-out Obligations relating to acquisitions made by the Group up to an amount not exceeding SEK 56,000,000, at any time, regardless of how such Earn-out Obligations are accounted for in the Accounting Principles;
 - (i) incurred under the SEK 11,000,000 vendor loan provided in connection with the acquisition of Wireless System Integration Sweden AB;
 - (j) incurred in the ordinary course of business under Advance Purchase Agreements;
 - (k) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence), (ii) is unsecured and ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Finance Documents and (iii) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
 - (l) incurred under any Working Capital Facility; and
 - (m) not permitted by items (a)–(l) above, in an aggregate amount not at any time exceeding SEK 10,000,000 and incurred in the ordinary course of the Group's business (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

"**Permitted Security**" means any security or guarantee:

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- (a) provided in accordance with the Finance Documents;
 - (b) provided in connection with a redemption of the Bonds in full and constituting a first priority pledge in favour of the Agent and the Holders (represented by the Agent) over a bank account in the name of the Issuer for the purpose of securing, *inter alia*, the redemption of the Bonds;
 - (c) provided in relation to any agreement under which a Group Company leases premises provided that such lease constitutes Permitted Debt;
 - (d) provided in relation to a Derivative Transaction and not consisting of security interests in shares in any Group Company;
 - (e) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity has provided security, provided that the debt secured with such security constitutes Permitted Debt in accordance with item (g) in the definition of “Permitted Debt”;
 - (f) arising by operation of law or in the ordinary course of business (including collateral, set-off or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including security (other than guarantees) in respect of any monies borrowed or raised);
 - (g) provided in relation to any Working Capital Facility; and
 - (h) provided in relation to the Permitted Basket and not consisting of security interest in shares of any Group Company or, if provided in relation to financial leasing arrangements, is granted only in the leased asset in question.

“Pledged Group Company” means (i) the Target (ii) Åkerströms Björbo Aktiebolag, reg. no. 556153-9825, and (ii) any other Material Group Company which from time to time is directly owned by the Issuer.

“Pro Forma EBITDA” means, for any Relevant Period, EBITDA as adjusted and further adjusted to take into account (i) one-off, (ii) non-recurring, (iii) extraordinary or (iv) exceptional items such as, but not limited to:

- (a) transaction related costs (advisor fees, extraordinary audit costs etc.);
- (b) external costs relating to implementation of ERP systems;
- (c) severance payments;
- (d) costs in relation to any potential legal disputes;
- (e) management fees to the prior owner of acquired entities;
- (f) office relocation costs;
- (g) loan set up fees; or
- (h) restructuring costs, and

in addition to the above including and or excluding (as applicable) any effect of any change from GAAP to IFRS to the extent it relates to any item which according to GAAP was accounted for as a one-off, non-recurring, extraordinary or exceptional item.

“Quarter Date” has the meaning set forth in Clause 12.1.1.

“Quotation Day” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no interest accrues on such day).

“Record Date” means the fifth (5th) 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 17 (*Distribution of proceeds*), (iv) the date of a Holders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“Redemption Date” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption, repurchase and prepayment of the Bonds*).

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

“Relevant Period” means each period of twelve (12) consecutive calendar months.

“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 (Sw. *direktregistrerad ägare*) or (ii) an owner’s holding of securities is registered in the name of a nominee (Sw. *förvaltare*).

“Securities Market Act” means the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

“Security Documents” means the Share Pledge Agreements and the Issuer Loans Pledge Agreement and such further agreements, assignments, certificates, instruments, consents, acknowledgements, confirmations and other documents which relate thereto or which are required in order to establish, maintain, preserve, protect and perfect the pledge created or purported to be created under such documents.

“Share Pledge Agreement” means each of the pledge or security agreements entered into by the Issuer and the Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) on or about the First Issue Date, or thereafter, in respect of first priority pledges of, or charges over, all shares at any time held by the Issuer in the capital

of a Pledged Group Company, granted in favour of the Agent and the Holders (represented by the Agent).

“STIBOR” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no 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 Day; 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 in consultation with the Issuer, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period, and

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

“Subsequent Bond” means any Bond issued in a Subsequent Bond Issue.

“Subsequent Bond Issue” has the meaning set forth in Clause 2.2.

“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 fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (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.

“Swedish Government Bond Rate” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (Sw. *Riksgälden*) (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Record Date for the

Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the Final Redemption Date; provided, however, that if the period from the redemption date to the Final Redemption Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the Final Redemption Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden at the date of these Terms and Conditions.

“**Target**” means Tele-Radio International Holding AB, reg. no. 559001-1697.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (i) the Initial Bond Issue or any Subsequent Bond Issue and (ii) the listing of the Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market).

“**Transaction Security**” means the security created or purported to be created under the Security Documents.

“**Working Capital Facility**” means one or more credit facilities for general corporate purposes, in an aggregate amount not at any time exceeding SEK 35,000,000.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 20 (*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;
- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (b) 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;
- (c) a provision of law is a reference to that provision as amended or re-enacted; and
- (d) a time of day is a reference to Stockholm time.

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- 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 Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 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 Initial Bond Issue will be an amount of SEK 276,000,000 which will be represented by Bonds, each of a nominal amount of SEK 2,000,000 or full multiples thereof (the “**Nominal Amount**”). The ISIN for the Bonds is SE0011282649. All Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount. The minimum permissible investment in connection with the Initial Bond Issue is SEK 2,000,000.
- 2.2 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000, always provided that the Incurrence Test (calculated *pro forma* including such issue) is met. Subsequent Bonds shall benefit from and be subject to the Finance Documents and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date and other rights applicable to the Bonds issued on the First Issue Date shall apply also to Subsequent Bonds. The price of Subsequent Bonds may be set at par, at a discount or at a higher price than the Nominal Amount.
- 2.3 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.4 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.5 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms such agreements.

3. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general,

unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them. The Bonds are secured by the Transaction Security.

4. USE OF PROCEEDS

4.1 The Issuer shall establish the Escrow Account prior to the First Issue Date. On the First Issue Date, the Issuing Agent shall transfer the Net Proceeds to the Escrow Account. For the purpose of securing that the Conditions Precedent for Disbursement have been fulfilled before any disbursement of the Net Proceeds is made, the Escrow Account will be pledged in favour of the Agent and the Holders (represented by the Agent) in accordance with the Escrow Account Pledge Agreement. The pledge over the Escrow Account shall be released, in accordance with the Escrow Account Pledge Agreement, when the Conditions Precedent for Disbursement have been fulfilled.

4.2 Upon fulfilment of the Conditions Precedent for Disbursement, the Net Proceeds standing to the credit of the Escrow Account shall be transferred to be used:

- (a) in respect of the Initial Bond Issue, for acquisition of the Target and other assets, general corporate purposes and transaction costs; and
- (b) in respect of any Subsequent Bond Issue, for general corporate purposes and transactions costs.

5. SECURITY

5.1 As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents, the Issuer shall pledge to the Agent and the Holders (as represented by the Agent) as first ranking security:

- (a) all shares in the Pledged Group Companies, in accordance with the respective Share Pledge Agreements; and
- (b) the money claims under the Issuer Loans in accordance with the Issuer Loans Pledge Agreement.

5.2 The Issuer shall ensure that the Security Documents and all documents relating thereto are duly executed in favour of the Agent and the Holders (as represented by the Agent) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and/or procure the execution of such further documentation as is required in order for the Holders and the Agent to at all times maintain the security position and guarantee position envisaged under the Finance Documents.

5.3 The Agent shall hold the Transaction Security on behalf of itself and the Holders in accordance with the Finance Documents.

5.4 Except if otherwise decided by the Holders according to the procedures set out in Clauses 18 (*Decisions by Holders*), 19 (*Holders' Meeting*) and 20 (*Written Procedure*), the Agent is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Group Companies or third parties if it is, in the Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the Transaction

Security or for the purpose of settling the various Holders' relative rights to the Transaction Security. The Agent is entitled to take all measures available to it according to the Security Documents.

- 5.5 If the Bonds are declared due and payable according to Clause 16 (*Termination of the Bonds*) (or, as regards an Event of Default according to Clause 16.1 (a) (*Non-payment*) has occurred and is continuing), or following the Final Redemption Date, the Agent is, without first having to obtain the Holders' consent, entitled to enforce the Transaction Security in such manner and under such conditions that the Agent finds acceptable (if in accordance with the Security Documents).
- 5.6 If a Holders' Meeting has been convened, or a Written Procedure has been instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the Transaction Security, the Agent is obligated to take actions in accordance with the Holders' decision regarding the Transaction Security. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce any of the Transaction Security. If the Holders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the Transaction Security in accordance with the procedures set out in Clauses 18 (*Decisions by Holders*), 19 (*Holders' Meeting*) and 20 (*Written Procedure*), the Agent shall promptly declare the Bonds terminated and enforce the Transaction Security. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.
- 5.7 Funds that the Agent receives (directly or indirectly) on behalf of the Holders in connection with the termination of the Bonds or the enforcement of any or all of the Transaction Security constitute escrow funds (Sw. *redovisningsmedel*) according to the Swedish 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 any other interested party. The Agent shall promptly arrange for payments to be made to the Holders in such case. The Agent shall arrange for payments of such funds in accordance with Clause 17 (*Distribution of proceeds*) as soon as reasonably practicable. If the Agent deems it appropriate, it may, in accordance with Clause 5.8, instruct the CSD to arrange for payment to the Holders.
- 5.8 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any Transaction Security, the Issuer irrevocably authorises and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 5.7. To the extent permissible by law, the powers set out in this Clause 5.8 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer 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), which the Agent deems necessary for the purpose of carrying out its duties under Clause 5.7 (including as required by the CSD in order for the CSD to accept such

payment instructions). Especially, the Issuer shall, upon the Agent's request, provide the Agent with a written power of attorney empowering the Agent to change the bank account registered with the CSD to a bank account in the name of the Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 5.7 to the Holders through the CSD.

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 the Finance Documents 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. The debt register (Sw. *skuldbok (direktregistrerade)*) kept by the CSD in respect of the Bonds shall be conclusive evidence of the persons who are Holders and their holdings of Bonds.
- 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 when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect

of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

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 the Finance Documents, 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 when permitted under the CSD's applicable regulations) 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 the Finance Documents and shall not disclose such information to any Holder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A HOLDER

8.1 If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney) or other proof of authorisation for such Person.

8.2 A Holder may issue one or several powers of attorney or other proof of authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder.

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 the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a 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.

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- 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 effectuated 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 effectuate 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or any Subsequent 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 Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance 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 adjusted modified following 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 adjusted modified following 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 one hundred (100) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

11. REDEMPTION, REPURCHASE AND PREPAYMENT 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 Nominal Amount together with accrued but unpaid Interest.

11.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The 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 before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.

11.3.2 Redemption in accordance with Clauses 11.3.1 shall be made by the Issuer giving not less than fifteen (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.

11.3.3 Notwithstanding any other provision, the Issuer may in case of an Acquisition Failure Event or a New Issue Failure, redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. Such redemption may be funded with amounts standing to the credit of the Escrow Account, with any shortfall to be covered by the Issuer.

11.4 Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure (put option)

11.4.1 Upon a Change of Control Event, a De-listing Event or a 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 one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) Business Days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 13.8 (e) (the "**Exercise Period**"). The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, the De-listing Event or the Listing Failure (as applicable).

11.4.2 The notice from the Issuer pursuant to Clause 13.8 (e) 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 Clause 13.8 (e). The repurchase date must fall no later than twenty (20) Business Days after the end of the Exercise Period.

11.4.3 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 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.

11.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Clause 11.2 (*The Group Companies' purchase of Bonds*).

11.5 **Mandatory redemption due to failure to fulfil the Conditions Subsequent**

If the Conditions Subsequent have not been fulfilled, and the Net Proceeds have been disbursed from the Escrow Account (as set out in Clause 4.2), within ninety (90) Business Days after the First Issue Date (or such later date as may be necessary for technical or administrative reasons), the Issuer shall redeem all Bonds at a price equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid interest. The redemption of the Bonds shall (i) be executed on the next following Interest Payment Date (taking into account the rules and regulations of the CSD) and (ii) be made by the Issuer giving not less than 10 Business Days' notice to the Holders and the Agent, where such notice shall state the relevant Interest Payment Date on which the redemption shall be made, the redemption amount and the relevant record date. Such redemption may be funded with amounts standing to the credit of the Escrow Account, with any shortfall to be covered by the Issuer.

12. FINANCIAL UNDERTAKINGS (MAINTENANCE TEST)

12.1 Maintenance Test

12.1.1 The Maintenance Test to be tested on 31 March, 30 June, 30 September and 31 December (each a "**Quarter Date**"), with the first testing date being 31 December 2018, on the basis of the Financial Report in respect of the period ending on such Quarter Date and shall be reported in the Compliance Certificate in connection with such Financial Report.

12.1.2 The Maintenance Test is met if, subject to Clause 12.2 (*Equity cure*), the ratio of Net Interest Bearing Debt to Pro Forma EBITDA is not greater than 6.00 (the "**Maintenance Test**") during the period from (and including) the First Issue Date up to (and including) the Final Redemption Date, calculated in accordance with the Calculation Principles.

12.2 **Equity cure**

12.2.1 If, within twenty (20) Business Days of the delivery of a Compliance Certificate evidencing a breach of the Maintenance Test, the Issuer has received an equity injection in cash by way of a share issue in the Issuer or an unconditional shareholder contribution to the Issuer in a sufficient amount to ensure compliance with the Maintenance Test (the “**Cure Amount**”), no Event of Default will occur (an “**Equity Cure**”). Upon receipt of the Cure Amount, the calculation of the Maintenance Test shall, for the purpose of the calculations of the Maintenance Test only, be adjusted by increasing EBITDA by an amount equal to the Cure Amount.

12.2.2 Any Equity Cure made in any calendar quarter shall be included until such time as that calendar quarter falls outside the Relevant Period. Any Equity Cure must be made in cash to the Company and no more than three (3) Equity Cures may be made over the lifetime of the Bonds. Equity Cures may not be made in respect of any consecutive calendar quarters.

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**

The Issuer shall not (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 any loans to its shareholders, or (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer’s shareholders (other than for the avoidance of doubt payment of any Earn-out Obligations) (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment.

Notwithstanding the above, a Restricted Payment may be made by the Issuer, if at the time of the payment no Event of Default is continuing provided that (i) the Distribution Test (calculated on a pro forma basis including the relevant Restricted Payment) is met and (ii) the aggregate amount of all Restricted Payments in a financial year (including the Restricted Payment in question) does not exceed thirty (30.00) per cent. of the Group’s consolidated net profit (Sw. *årets resultat*) according to the annual audited financial statements for the previous financial year (and without accumulation of profits from previous financial years).

13.2 **Listing of Bonds**

The Issuer shall ensure (i) that the Bonds issued in the Initial Bond Issue are listed on the corporate bond list of Nasdaq Stockholm within sixty (60) days after the First Issue Date (and with an intention to complete such listing within thirty (30) days after the First Issue Date), (ii) that any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm within sixty (60) days after the issuance of such bonds (and with an intention to complete such listing within thirty (30) days after the issuance of such bonds) (iii) 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) and (iv) that, upon any Subsequent Bond Issue, the volume of Bonds listed on the relevant Regulated Market promptly, and not later than 20 Business Days after the relevant issue date, is increased accordingly.

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 First Issue Date.

13.4 Financial Indebtedness

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

13.5 Negative Pledge

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

13.6 Disposal of assets

13.6.1 The Issuer shall not, and shall procure that none of the Material Group Companies 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 fair market value 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 in accordance with Clause 13.8.2. For the avoidance of doubt, shares in Pledged Group Companies may not be sold, transferred or otherwise disposed of, except as set forth below.

13.6.2 The Issuer shall not sell, transfer or otherwise dispose of shares in any Pledged Group Company to any Group Company other than a Pledged Group Company. Any such transfer of shares to a Pledged Group Company shall be subject always to applicable laws and the Issuer procuring that any such shares so transferred which at any time are intended to be or have been included in the Transaction Security continues to be pledged or are pledged following the transfer on the same or substantially similar terms and with the same priority of security and permitted only if the transaction (taken as a whole) does not adversely affect the pledge over such shares. The Issuer shall notify the Agent of any such transfer of shares in accordance with Clause 13.8.3.

13.7 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries, (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, Nasdaq First North Premier or any other Regulated Market or recognised unregulated market place 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, provided that such authorisation, approval, licence or other permit may be cancelled if such cancellation is deemed to be commercially reasonable in the opinion of the Issuer (acting reasonably).

13.8 **Financial reporting etcetera**

13.8.1 The Issuer shall subject to legal, stock market and other regulatory requirements:

- (a) prepare and make available the annual audited consolidated financial statements of the Group on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group on its website not later than two (2) months 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 the payment of any Restricted Payment or the incurrence of any new Financial Indebtedness (including any Subsequent Bond Issue), which requires that the Distribution Test or the Incurrence Test is met and (iii) at the Agent's request, within twenty (20) calendar 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 upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event, a Listing Failure or 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; and
- (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 Securities Market Act.

13.8.2 The Issuer shall notify the Agent of any transaction referred to in Clause 13.6.1 and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably) and (ii) a determination from the Issuer which states whether the transaction is carried out at fair market value 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 at fair market value 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 item (ii) above.

- 13.8.3 The Issuer shall notify the Agent of any transfer of shares referred to in Clause 13.6.2 at least twenty (20) Business Days before the transaction is made 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 **Agent Agreement**

- 13.9.1 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.

- 13.9.2 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.

13.10 **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. CONDITIONS PRECEDENT FOR DISBURSEMENT

- 14.1 The Agent's approval of the first disbursements from the Escrow Account of the Net Proceeds standing to the credit of the Escrow Account is subject to the following events having taken place and the Agent being satisfied that it has received the following documents:

- (a) copies of duly executed corporate resolutions and/or authorisations by the Issuer approving the Initial Bond Issue, the terms of the Finance Documents and resolving to enter into such documents and any other documents necessary in connection therewith (as applicable);
- (b) copies of any other Finance Documents (other than the Security Documents), duly executed by each party thereto;
- (c) a template Compliance Certificate in the agreed form;

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- (d) evidence in the form of a certificate signed by the Issuer that all closing conditions for the acquisition of the Target shares (except for payment of the purchase price) have been satisfied or waived and that the acquisition will be consummated immediately upon disbursement of funds from the Escrow Account; and
 - (e) a copy of a legal opinion on the validity and enforceability of the executed Finance Documents issued by a reputable law firm.

14.2 When the Conditions Precedent for Disbursement of the Net Proceeds set out in Clause 14.1 (a)–(e) above have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall without delay instruct the escrow bank to transfer the Net Proceeds to the Issuer to be used in accordance with Clause 4.2.

14.3 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 14.1 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 and evidence. The Agent does not review the document and evidence referred to in Clause 14.1 from a legal or commercial perspective of the Holders.

15. CONDITIONS SUBSEQUENT

15.1 The Issuer shall at the latest within 90 Business Days after receipt of the proceeds from the Bonds deliver:

- (a) a copy of each relevant Share Pledge Agreement, duly executed by the Issuer together with:
 - (i) if applicable, a certified copy of the share register of each relevant Pledged Group Company confirming that the pledge over the shares in the Pledged Group Company has been duly recorded; and
 - (ii) if applicable, original copies of all share certificates in respect of the pledged shares in the Pledged Group Company, duly transferred in blank; and
- (b) a copy of the Issuer Loans Pledge Agreement.

15.2 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 15.1 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 and evidence. The Agent does not review the document and evidence referred to in Clause 15.1 from a legal or commercial perspective of the Holders.

16. TERMINATION OF THE BONDS

16.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a 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 16.6 or 16.7, 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 twenty (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 the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date.
- (b) **Maintenance Test:** The Issuer fails to meet the Maintenance Test and no Equity Cure is available or made within the relevant cure period.
- (c) **Other obligations:** The Issuer does not comply with the Finance Documents in any other way than as set out under item (a) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (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 notice).
- (d) **Cross-acceleration:**
 - (i) Any Financial Indebtedness of a Group Company not owed to another Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described); 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 item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 15,000,000.
- (e) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) generally with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.
- (f) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed

in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or financial restructuring (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.

(g) **Mergers and demergers:**

- (i) A decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless the contemplated merger and/or demerger is likely to not have a Material Adverse Effect; or
- (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

(h) **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 sixty (60) calendar days.

(i) **Illegality:** It is or becomes unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

(j) **Continuation of the business:** A Material Group Company ceases to carry on its business (except if due to (i) a permitted merger or demerger as stipulated in (g) above, (ii) a solvent liquidation of a Material Group Company other than the Issuer or (iii) a permitted disposal as stipulated in Clause 13.6 (*Disposal of assets*)) and provided, in relation to a discontinuation of a Material Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

16.2 The Agent may not terminate the Bonds in accordance with Clause 16.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 16.1 (e).

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- 16.3 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.
- 16.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Clause 16.1 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 actual knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 16.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 16.1 and provide the Agent with all documents that may be of significance for the application of this Clause 16.
- 16.5 The Issuer is only obligated to inform the Agent according to Clause 16.4 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 the relevant Regulated Market or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 16.4.
- 16.6 If the Agent has been notified by the Issuer or has otherwise received actual knowledge of an Event of Default under these Terms and Conditions according to Clause 16.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or when the Agent received actual knowledge that an Event of Default has occurred and is continuing, the Holders of the Event of Default and (ii) decide, within twenty (20) Business Days of the day of notification or when the Agent received actual knowledge that an Event of Default has occurred and is continuing, 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 18 (*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.
- 16.7 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 18 (*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.

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- 16.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 16, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 16.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 16 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 18 (*Decisions by Holders*).
- 16.10 If the Bonds are declared due and payable in accordance with this Clause 16, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price together with accrued but unpaid Interest, other than if the acceleration of the Bonds are caused by an Acquisition Failure Event and/or New Issue Failure in which case the Bonds shall be redeemed with an amount per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. Such redemption may be funded with amounts standing to the credit of the Escrow Account, with any shortfall to be covered by the Issuer.

17. DISTRIBUTION OF PROCEEDS

- 17.1 If the Bonds have been declared due and payable in accordance with Clause 16 (*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) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, in its capacity as agent or security agent under the Finance Documents, (ii) other costs, expenses and indemnities relating to the termination of the Bonds, the enforcement of the Transaction Security or the protection of the Holders' rights under the Finance Documents, (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, together with default interest on any such amount calculated from the date it was due to be paid or reimbursed;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
 - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with items (a) to (d) above shall be paid to the Issuer (as applicable). The application of proceeds in accordance with items (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.

17.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1.

17.3 If the Issuer or the Agent shall make any payment under this Clause 17, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

18. DECISIONS BY HOLDERS

18.1 A request by the Agent for a decision by the Holders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.

18.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a 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 the Finance Documents 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.

18.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (a) 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 (b) the suggested decision is not in accordance with applicable laws or regulations.

18.4 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 Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or

(b) on the Business Day specified in the communication pursuant to Clause 20.3, 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.

18.5 The following matters shall require consent of Holders representing at least two thirds (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 20.3:

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- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
 - (b) a mandatory exchange of Bonds for other securities;
 - (c) release the Transaction Security in whole or in part (other than such security or guarantee which shall be released in accordance with these Terms and Conditions without the requirement for the Agent to receive approval from the Holders);
 - (d) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking, or
 - (f) amend the provisions in this Clause 18.5 or 18.6.

- 18.6 Any matter not covered by Clause 18.5 shall require the consent of Holders representing more than fifty (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 20.3. This includes, but is not limited to, any amendment to or waiver of the terms of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 21.1 (a), (b), (c) or (d)), a termination of the Bonds or the enforcement of the Transaction Security in whole or in part.
- 18.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 18.6.
- 18.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent. (or fifty (50.00) per cent. if the Holders' Meeting shall consider a matter which requires a qualified majority) 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 otherwise votes without attending);
or
 - (b) if in respect of a Written Procedure, reply to the request.
- 18.9 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 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), 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 17.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 18.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

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- 18.11 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.
- 18.12 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 Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.13 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.
- 18.14 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.
- 18.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) 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.
- 18.16 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.

19. HOLDERS' MEETING

- 19.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (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.
- 19.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 19.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 19.1.

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- 19.3 The notice pursuant to Clause 19.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) 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.
- 19.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 19.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (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.
- 19.6 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.
- 19.7 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.

20. WRITTEN PROCEDURE

- 20.1 The Agent shall instigate a Written Procedure no later than five (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.
- 20.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 20.1 to each Holder with a copy to the Agent.
- 20.3 A communication pursuant to Clause 20.1 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 20.1), (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 ten (10) Business Days but not more than twenty (20) Business Days from the effective date of the communication pursuant to Clause 20.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

20.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (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.

20.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 18.5 and 18.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.5 or 18.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21. AMENDMENTS AND WAIVERS

21.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Holders;
- (b) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (d) 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
- (e) such amendment or waiver has been duly approved by the Holders in accordance with Clause 18 (*Decisions by Holders*).

21.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

21.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents 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.

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- 21.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

22. APPOINTMENT AND REPLACEMENT OF THE AGENT

22.1 Appointment of Agent

- 22.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such 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.

- 22.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney or other proof of authorisation (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 the Finance Documents. The Agent is under no obligation to represent a Holder which does not comply with such request.

- 22.1.3 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 the Finance Documents.

- 22.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent and security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- 22.1.5 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 Duties of the Agent

- 22.2.1 The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the due execution, validity, perfection or enforceability of the Finance Documents. 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.

- 22.2.2 The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The

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- Agent does not review any documents or evidence from a legal or commercial perspective of the Holders.
- 22.2.3 The Agent is never acting as an advisor (whether legal, financial or otherwise) to the Holders or any other person.
- 22.2.4 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting 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. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so, provided that disclosure is not prohibited under any laws or regulations.
- 22.2.5 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.6 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 the Finance Documents.
- 22.2.7 The Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents, 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 the Finance Documents.
- 22.2.8 The Agent shall, subject to Clause 27.2.2, 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.
- 22.2.9 The Agent is entitled to engage external experts when carrying out its duties as agent or security agent under the Finance Documents and/or related documents. 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 the Finance Documents or (iii) when the Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of proceeds*).
- 22.2.10 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 the Finance Documents.

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- 22.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obligated to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.12 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in these Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred.
- 22.2.13 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.
- 22.2.14 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 22.2.13.
- 22.3 **Limited liability for the Agent**
- 22.3.1 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 any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 22.3.2 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 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.
- 22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the 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.
- 22.3.4 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 18 (*Decisions by Holders*).
- 22.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Holders under the Finance Documents.

22.4 Replacement of the Agent

- 22.4.1 Subject to Clause 22.4.6, 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.
- 22.4.2 Subject to Clause 22.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a 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.
- 22.4.4 If the Holders have not appointed a successor Agent within ninety (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.
- 22.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 22.4.6 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.
- 22.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 23.1 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.
- 23.2 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.

24. APPOINTMENT AND REPLACEMENT OF THE CSD

- 24.1 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.
- 24.2 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, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Market Act.

25. NO DIRECT ACTIONS BY HOLDERS

- 25.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the liabilities of the Issuer or a Subsidiary under the Finance Documents.
- 25.2 Clause 25.1 shall not apply if the Agent has been instructed by the Holders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 22.1.2), 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 the Finance Documents or by any reason described in Clause 22.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.14 before a Holder may take any action referred to in Clause 25.1.
- 25.3 The provisions of Clause 25.1 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, a De-listing Event or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

26. TIME-BAR

- 26.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (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 three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.
- 26.2 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 ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to 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.

27. NOTICES AND PRESS RELEASES

27.1 Notices

- 27.1.1 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 Kronborgsgränd 7, 164 46 Kista, Sweden or such address notified by the Issuer to the Agent from time to time 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
 - (a) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, to the extent practically possible), 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.
- 27.1.2 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 26.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope

addressed to the address specified in Clause 27.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 27.1.1.

- 27.1.3 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.

27.2 **Press releases**

- 27.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3.2, 11.4, 13.8 (e), 16.6, 18.16, 19.1, 20.1 and 21.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 27.2.2 In addition to Clause 27.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that 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.

28. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 28.1 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.
- 28.2 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.
- 28.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 28.4 The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

29. LISTING

The Issuer intends to list the Bonds within thirty (30) calendar days, and has undertaken to list the Bonds within sixty (60) days, after the First Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 13.2 (*Listing of Bonds*).

30. GOVERNING LAW AND JURISDICTION

- 30.1 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.
- 30.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 30.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 30.3 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.

ADDRESSES

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