

STILLFRONT GROUP



Stillfront Group AB (publ)

Prospectus for admission to trading on the
Corporate Bond List of NASDAQ Stockholm

SEK 1,000,000,000
Senior Unsecured Floating Rate Bonds due 2024
ISIN: SE0012728830

Issuing Agent

Swedbank 

Prospectus dated 22 June 2020

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the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

Important Notice

This prospectus (the “**Prospectus**”) has been prepared by Stillfront Group AB (publ) (the “**Company**” or the “**Issuer**”), registration number 556721-3078, in relation to the application for listing of the Company’s SEK1,000,000,000 senior unsecured floating rate bonds due 2024 with ISIN: SE0012728830 (the “**Bonds**”) on the Corporate Bond List of NASDAQ Stockholm AB (“**NASDAQ Stockholm**”). In this Prospectus, references to the “**Group**” refer to the Company and its subsidiaries, from time to time. References to “**SEK**” refer to Swedish Krona.

This Prospectus has been prepared in accordance with the standards and requirements under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”) and the rules and regulations connected thereto, as applicable.

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

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 18 (the “**Terms and Conditions**”) shall have the same meaning when used in this Prospectus.

This Prospectus does not constitute an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on NASDAQ Stockholm. This Prospectus may not be distributed in any country where such distribution requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. No offering is made to individuals domiciled in Australia, Japan, Canada, Hong Kong, New Zealand, the Republic of South Africa, Singapore, Switzerland, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

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

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

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

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

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

Table of Contents

RISK FACTORS	3
STATEMENT OF RESPONSIBILITY	12
OVERVIEW OF THE BONDS	13
TERMS & CONDITIONS OF THE BONDS	18
DESCRIPTION OF THE GROUP	54
BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS	65
HISTORICAL FINANCIAL INFORMATION	71
OTHER INFORMATION	73
ADDRESSES	77

Risk Factors

Investments in the Bonds involve inherent risks. Before making a decision to invest in the Bonds, any potential investor should carefully consider the risk factors outlined below, as well as evaluate external factors, and make an independent evaluation. A number of factors affect, or could affect, the Issuer and its subsidiaries (together with the Issuer, the “Group”) and its business. This section features risk factors that are specific to the Group and the Bonds.

The risk factors presented herein have been divided into five categories based on their nature. These categories are:

- *Risks related to the Group’s financial situation;*
- *Risks related to the Group’s business activity and industry;*
- *Legal and regulatory risks;*
- *Internal control risks; and*
- *Risks related to the nature of the Bonds.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Risk related to the Group’s financial situation

Valuation of goodwill

As per 31 March 2020, the Group’s goodwill amounted to SEK 5,570 million (this number has been extracted from the Company’s Q1 report 2020, which was published on 6 May 2020. This number has not been subject to audit). Goodwill represents the largest share of the assets on the Group’s balance sheet. Goodwill is recognised as an intangible asset and is subject to an impairment review, at least annually or upon the occurrence of events that indicates an impairment of the asset in question. Devaluation of goodwill and other intangible assets may have a material adverse effect on the Group’s balance sheet, its total assets in particular and in addition, this may have a negative effect on the profit and loss report.

Capitalised game development expenses

In accordance with IFRS, the Company capitalises product development expenses. As at 31 March 2020, the Company had capitalised expenditures for development of SEK 2,282 million (this number has been extracted from the Company’s Q1 report 2020, which was published on 6 May 2020. This number has not been subject to audit). From the date of activation of such developed product(s), including allocated values from purchase price allocations process as part of the acquisitions, its value is evaluated on an annual basis (which could lead to write-downs). While evaluating any write-downs certain assumption are made, should any of these assumptions prove incorrect or in case a significant failure of a developed product would be identified, this may cause proportionate write-downs to capitalised expenditures, which in turn may have a material adverse effect on the Group’s profit and loss report and balance sheet.

Currency fluctuation risks

The Company operates in several countries and has customers in approximately 180 countries. Most of the Group’s costs are in EUR and USD, whereas revenues are generated in numerous other currencies. Hence, the Group is exposed to currency risks. Exposure stems from transaction exposure (i.e. the exchange rate risk

associated with the time delay between entering into a contract and settling it) as well as translation exposure (i.e. when assets and liabilities in a foreign currency are to be translated to SEK (the Company's reporting currency)). Most of the Group's revenues are in EUR and USD. Should the SEK be strengthened against other currencies, the Group's reported revenues and profits would be negatively impacted, the latter less so. Liabilities related to conditional contingent considerations are in the same currency as the related asset. The Company's borrowings are partially in foreign currency. Currency risk arises through future business transactions, recognized assets and liabilities, as well as net investments in foreign operations. Currency risk occurs when future business transactions, recognized assets and liabilities are denominated in currencies other than the functional currency of the Group entities. In the financial years presented, the Group has not employed currency forward contracts. The main currencies the Group is exposed to are EUR and USD.

The Group's risk exposure in foreign currency at the end of the financial year, expressed in Swedish krona (SEK m.), was as follows:

SEKm	31 Dec. 2018		31 Dec. 2018	
	EUR	USD	EUR	USD
Cash	31	78	0	16
Earnouts	194	153	359	47
Other liabilities	31	0	144	-

The table set out above includes only items in currencies different from the functional currency of respective entities in which they are held. After 31 December 2019, Storm8 and Candywriter have been acquired which is not reflected in the numbers above, these acquisition adds risk exposure to USD.

Currency fluctuations tend to be unpredictable and difficult to foresee, since they are determined by a large number of factors. The degree to which currency fluctuations may vary is uncertain. The following calculations are based on the same figures as the table above.

If the EUR exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, net profit due to the exposure of the Group's balance sheet items would have been SEK 0 m higher or 0 m lower respectively. If the EUR exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, the impact on equity would have been negative SEK 9.3 m or positive SEK 9.3 m respectively. If the USD exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, net profit due to the exposure of the Group's balance sheet items would have been SEK 3.7 m higher or SEK 3.7 m lower respectively. If the USD exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, the impact on equity would have been negative SEK 3.6 m or positive SEK 3.6 m respectively.

Risks related to the Group's business activities and industry

The continued success and growth of the Group's business is reliant on its ability to continue to develop new games and enhance its existing range of games

The Group's ability to increase revenues and profitability is reliant on its ability to regularly develop new games and enhance existing games in ways that improve the gaming experience for both paying and non-paying players while encouraging the purchase of virtual items within games. If the Group's current game development model ceases to be effective in creating or acquiring games that appeal to new as well as existing players and developing existing games to continue to retain the interest of its existing range of games, its customer base will cease to grow at the current rates, which are central to the Group's business model. Furthermore, regular

failure to successfully adapt games that are popular with the Group's most frequent users to mobile and social platforms will significantly reduce the potential of existing game titles, with the effect that operating results may be materially adversely affected. There can be no assurance that the Group will continue to be able to adapt a sufficient number of games, if any, on existing media platforms or to be played on new media platforms successfully to generate the significant purchases of virtual items that the Group's current strategy and financial growth rely on.

If the Group is unable to develop new and enhance existing games that generate meaningful revenue, its profitability, financial condition and results and accordingly its ability to service its payment obligations under the Bonds could be materially adversely affected.

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

The Group's success is dependent on its ability to successfully innovate, develop and release new games. In addition, the online gaming industry is driven by the preferences and demands of end users, and gaming developers, publishers and operators must continuously offer new products and services in order to attract and retain a broad range of end users. In an industry characterised by the rapid emergence and development of new products, services, technologies and end user practices, it is imperative that the Group updates its existing products, services and proprietary technology. Widespread adoption of new internet technology and higher standards could require the Group to commit significant funding to replace, upgrade, modify or adapt its existing supply, which could negatively impact the Group's profitability both in the short- and long term.

Negative perceptions and publicity surrounding the gaming industry and lack of trust and adoption of online payment systems and other transactions systems

The online gaming industry is exposed to publicity relating to gaming behaviour, gaming by minors and non-compliance with regulations and standards established to promote responsible gaming. Adverse or negative perceptions and other concerns regarding the gaming industry, even if not directly connected to the Group's business, could have a material and adverse effect on the Group's business performance. For example, if a perception develops that the online gaming market is failing to address public concerns, the resulting political pressure and public sentiment may result in a loss of users playing the Group's games as well as increased regulation of the online gaming market. Any such new regulations could result in significant costs adapting games, or developing new games, to comply with new regulations or prohibit the Group from offering some or all of its games at all in certain or all jurisdictions. These additional costs would have a significant impact on the Group's profitability, and loss of customers revenues due to customers ceasing to play the Group's games or the Group being required to close down games or delays in access while games are adapted appropriately content could have a significant impact on the revenues of the Group.

Furthermore, part of the Group's business relies on the trust and adoption of online payment and other transaction systems by its customers' end users. Historically, end users have been reluctant to adopt internet payment methods as a secure and trusted means of transferring fund, and although end users have become more willing to make online payments and other transfers over the internet, public opinion may turn against such systems and end users may cease to adopt online payments and other transfers as a trusted, reliable and secure type of transaction. To the extent that there is a popular trend against such forms of payment, particularly in the mobile game sector where there is often no alternative, in-game purchases upon which the Group heavily relies for revenue could decrease significantly, which would result in an adverse impact on the Group's revenues and therefore a material adverse effect on the Group's operating profit.

Competition from other online gaming developers and console developers

The Group operates in a highly competitive industry. Competition may very well intensify as new online game developers, publishers and operators enter the gaming business sector or current competitors expand their offerings. The Group's focus is on providing high-quality entertainment, where it considers services like YouTube and Netflix as its key competitors. Online gaming products and services are also sensitive to consumer trends and the improvement and expansion of product offerings by the Group's competitors may attract customers away from the Group's products and reduce the Group's market share. Failure to compete effectively may result in a loss of customers and an inability to attract new customers.

Increased competition can also lead to lower margins and pressure from customers in respect of the prices charged by the Group as the Group may be forced to lower its prices to retain its customers and market share. In addition, certain competitors may offer a more attractive range of online games or ancillary products and services than the Group does, which could lead to pressure from customers to develop or offer similar products and services, and may result in the loss of such customers or increased development costs associated with developing a specific type of product or service. A failure to deal with the emergence of such increased competition quickly and effectively could have a material adverse effect on the Group's business as a whole and either require further capital expenditures that may require further funding or result in declining financial performance.

Increased marketing costs could reduce the Group's profitability and as a result have a material adverse effect on the Group's result of operations, should such marketing costs not prove to yield neutral or positive returns.

The Group is dependent on certain key individuals and employees

The Group's business is dependent on certain key individuals, senior executives and persons with specialist competence, some of whom are the founders of the Group Companies. On average, approximately two to three individuals in each of the Group's studios, in total approximately 30, are considered key employees. These key persons have established good relationships with market participants and have a good understanding of the environment in which the Group operates. Accordingly, these key persons are central to the successful development of the Group's business. If any of these key persons terminate their relationships with the Group, or materially change or reduce their roles within the Group, the Group may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to the Group's business. In order to retain key individuals and employees the Group may encounter increased costs for remuneration to these individuals in terms of bonuses and other incentives. Furthermore, the Group's ability to compete effectively in the markets in which it operates depends upon its ability to retain and motivate its existing workforce. The failure by the Group to retain key personnel or to attract new talent, or a significant increase in the cost of doing so may have a material adverse effect on the Group's profitability and management function.

The Group has made and may make acquisitions that prove unsuccessful or strain or divert the Group's resources

The Group has grown by means of making acquisitions of online game developing companies which entails lingering risks in terms of legal, marketing and financial risks associated with the target companies as well as the risk of failing to properly integrate the acquired companies into the Group. Such transactions may also make the Group's historical financial data difficult to compare from year to year. Furthermore, the true future value of a target company may prove to be difficult to correctly evaluate at the time of an acquisition. The Group intends to continue to grow its business partly by continuing to make acquisitions to support future growth and profitability, such as the acquisition of Storm8 and Candywriter. Successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, and complete such acquisitions and integrate the target companies or businesses into the Group. In the future, the Group may not be able to generate expected margins or cash flows, or realise the anticipated benefits of acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual development may differ significantly from expectations. Furthermore, deferred payments and earn-out payments to the sellers of the acquisition targets are based upon the future performance of the acquisition targets. Underestimation of such performance may result in larger cash payment and/or larger dilution of the shareholding in the Issuer than predicted at the time of the acquisition. Earn-out payments are generally capped for the purpose of restricting earn-out payments unless equivalent contributions of the acquired business are made to the Group. The Group may not be able to integrate acquisitions successfully and such integration may require more investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees or other parties. The process of integrating acquired targets may also be disruptive to the Group's operations, as a result of, among other things, conflicting interests with minority shareholders of non-wholly owned subsidiaries, unforeseen legal issues, and difficulties in realising operating synergies (including, but not limited to, due to cultural differences) or a failure to maintain

the quality of services that have historically been provided thereby affecting its reputation, all of which could cause the Group's results of operations to decline. Furthermore, future acquisitions may divert management's attention from day to day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, they may result in a material adverse effect on the Group's growth potential, future financial performance and ability to fund future acquisitions.

The Group uses open source software in its games

The Group uses open source software in its game development. Some open source software licences require developers who distribute open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavourable terms or at no cost. The terms of various open source licences have not been interpreted by courts, and there is a risk that such licences could be construed in a manner that imposes unanticipated conditions or restrictions on the Group's ability to market the games, or that the Group inadvertently infringes on other parties' intellectual property rights. Furthermore, there is a risk that outdated and potentially insecure open source software is included in the Group's products. While the Group monitors its use of open source software and tries to ensure that none is used in a manner that would require the Group to disclose its source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur and the Group may be required to release its proprietary source code, pay damages for breach of contract, re-engineer its games, discontinue distribution in the event reengineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from the Group's game development efforts, any of which could harm the Group's reputation, result in player losses, increase the costs or otherwise adversely affect the operation of the Group's business.

Global economic outlook and impact of Covid-19 and the global economy on gaming industry

The Group operates in the online gaming market and is influenced by general economic and consumer trends beyond the Group's control. The business and the financial performance of the Group may be adversely affected by general economic and consumer trends, and the impact that such trends have on online gaming industry and the preferences of end users. During the first quarter of 2020, Covid-19 broke out globally. The Company is closely monitoring developments and is evaluating the extent to which this may affect the Group's operations in the short and long term. The Company is a decentralized organization with studios and professionals in several continents, with the majority located in Europe and North America. The Company has proactively taken a number of preventative measures to ensure the Group's operational continuity and curb the spread of the virus among its professionals. However, there can be no assurances that these preventative measures will prove efficient or sufficient and the outcome could negatively impact the proper function of the Group and future revenues. Although the Company focuses on digital entertainment and has digital processes and procedures in place to ensure that the organization of the Group functions more or less as usual, the revenue of the Group is driven in large part by its end users' disposable incomes and level of gaming activity. Covid-19 is envisaged to have a negative impact on the global economic outlook. Any negative developments concerning the global economic outlook, macroeconomic factors, consumer trends and the impact of such trends on the disposable incomes of its end users or the gaming industry could reduce the ability and willingness to spend money on the Group's products and therefore could have a material adverse effect on the Group's business, financial condition and result of operations.

Dependence on a few key distributors

The Group's sales are to a large extent conducted by a few key distributors, particularly in the growing mobile application sector where the Group is particularly dependent on Google Play, Apple App Store and Facebook to distribute its games. Approx. 54 per cent. of the Group's revenue derived from games distributed through Google Play and Apple Store as of 31 December 2019. The distributors' supply of the digital distribution channels is indispensable for the Group's generation of revenues from its mobile application. If for any reason, any of the key distributors would shut down their platforms or restrict the Group's access to or the terms of use of their platforms, this would result in short-term loss of revenue, and in case of an extended interruption or restriction, it could have a material adverse effect on the Group's business, financial position and results of operations. It should be noted that it is not uncommon that the standard terms and conditions from key distributors include relatively short notice termination provisions and accordingly key contracts may be terminated at short notice.

Furthermore, the Group is dependent on the correctness of the financial information provided by the distributors and has to rely on the distribution records to assess the revenues reflecting a player's actual purchases.

Legal and regulatory risk

The Group is subject to laws and regulations in several different jurisdictions

The Group's offering is available in a large number of jurisdictions across the world, many of which have their own individual regulations relating to online businesses and gaming businesses in particular. The Group closely monitors its compliance with such regulations as well as any modifications of such regulations to ensure it is at all times compliant.

In particular, the Group is required to maintain a trade licence in respect of its business operations in the United Arab Emirates (the "UAE"), and in Vietnam, the Group holds a permit from the licensing authority of Vietnam to conduct its business activities and has been granted an investment licence to set up the business in Vietnam.

While the Group's business currently does not require any specific licences and certifications, other than those in the UAE and Vietnam, applicable laws are constantly reviewed and changed by the regulators in the applicable countries. It cannot be ruled out that the Group may become further subject to such laws, directly or indirectly, or that its UAE trade licence or Vietnam permit are withdrawn, which could significantly reduce or remove all revenues from its subsidiaries and games offered in those jurisdictions, which as a result could have a material adverse effect on the Group's revenues and accordingly its financial performance.

Although the Group takes reasonable actions to prevent minors from playing the Group's online games it cannot be ruled out that some of the consumers playing the games offered by the Group are minors in breach of the Group's terms and conditions, if minors are found to have been playing inappropriate games offered by the Group, this could result in negative publicity or litigation, as well as damage to its reputation and a consequent loss of customers, any of which could adversely impact the Group's profitability and revenues.

In the some jurisdictions where the Group operates, the Group is subject to antispam regulations which restricts the Group's use of email and text message marketing. In the US, text message marketing is a strictly regulated activity which requires express prior written consent, and is a highly litigated issue. The Group has from time to time used email and text message marketing, which exposes the Group to a risk of breaching relevant regulations and claims towards the Group. The US Telephone Consumer Protection Act provides for a private right of action (e.g., class action litigation) and provides for statutory damages of USD 500 to USD 1,500 for each violation. Any large scale claims in this respect could have a significant adverse impact on the profitability of the Group as well as its reputation.

The Group is further subject to requirements of cultural vetting of games it distributes in certain jurisdictions. One such game is Nida Harb 3. The Group's non-compliance or deemed non-compliance with any of these vetting laws could result in such games needing to be withdrawn from those jurisdictions, which could have a material adverse effect on the Group's revenues as well as its reputation, business, financial condition and results of operations.

The Group may be unable to protect its intellectual property rights and could be at risk of infringing third party intellectual property rights

The Group's ability to grow its business successfully depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights.

In the early stages of the life cycle of the Group's games, the Group mainly relies on trademark protection through trademark registration. With regard to trademark registration, some of the Group's brands and logotypes are not registered trademarks and/or pending trademark registration and there is no guarantee that the Group will be able to complete such registrations in respect of such brands and logotypes and/or any future brands or logotypes.

Although the Group's intellectual property generally is protected under copyright pursuant to the Berne Convention for the Protection of Literary and Artistic Works, such protection only extends to the original literal expression of the Group's source code and not the concepts or ideas expressed by it. In the US, a copyright registration is required to bring a copyright infringement lawsuit. The Group owns limited copyright registrations in the US, which exposes the Group to a risk for delays in bringing copyright lawsuits. Further, the Group's intellectual property does not constitute patentable subject matter and is, as a result thereof, not patentable. Hence, other than protection through trademark registration and domain name registration, the Group's intellectual property enjoys limited intellectual property right protection, which may restrict the Group's possibilities to defend infringements of intellectual property resulting in a material adverse effect on the Group's recognition in the market, its established reputation or funds needing to be deployed towards costly litigation in order to defend intellectual property.

The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Group may result in royalties or damages being payable and/or the Group being required to cease using any infringing intellectual property or embodiments of any such intellectual property. Should the Group not be able to effectively protect its intellectual property rights, or should an infringement claim be brought against the Group, it could have a material adverse effect on the Group's business, financial condition and results of operations. The Group is dependent on securing title to intellectual property rights through agreements with employees, consultants and partners. The Group is also dependent on know-how and trade secrets, and the Group strives to secure such title and protect such information by, for example, maintaining IP transfer and confidentiality agreements with employees, consultants and partners. However, this is not always the case and it is not possible to ensure total transfer of intellectual property rights or total protection against unauthorised distribution of information and competitors and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business given the chance of tougher competition.

Interest rate risks

The Bonds will bear interest determined on the basis of a floating rate, whereby the interest paid under the Bonds is subject to changes to the market interest rates, and in particular STIBOR. Interest rate risk means the risk that fair value or future cash flows fluctuate due to altered market interest rates, STIBOR in particular. The Group has during the year 2020 had outstanding bond loans amounting to up to SEK 1,600,000,000. These bond loans have STIBOR as the basis of their coupon rate. A 2% increase in STIBOR would negatively impact profit by SEK 32,000,000 per annum. There is a risk that the market value of the Bonds and an investment in the Bonds are adversely affected by changes to the market interest rates. The risk of variable interest rates on cash and cash equivalents is considered marginal because interest rates are low.

Internal control risk

If the Group fails to properly manage growth, its business may be adversely affected

The Issuer has been growing rapidly which increases the demands on management and operational control, information and reporting systems as well as financial control. To achieve the Issuer's revenue and growth goals, the Issuer must successfully manage business opportunities, revenue streams, product and service quality and operations, and increase capacity and infrastructure as required by customer demand across the territories in which the Issuer operates. This also requires that the Group is successful in finding qualified personnel. The Issuer may explore new and diversified revenue generating strategies, and the increasing business complexity of operations may place additional requirements on the Issuer's systems, controls, procedures and management, which may strain the Issuer's ability to successfully manage future growth. The Issuer may fail to successfully implement revenue or cost strategies. These problems could result in delays in fulfilling customer demands and increased expenses for the Issuer. Any such delay or increased expenses could have a material adverse effect on the Group's business, financial condition and results of operations. Future growth will also

impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees. The Issuer may fail to successfully manage such developments and growth in the future. If the Issuer is unable to effectively manage its growth, or is unsuccessful in adapting to changes and increased requirements resulting from expansion, there could be an adverse effect on the Group's growth, which could have a material adverse effect on the Group's performance, cost-control, corporate culture and the future growth or even just the maintenance of the current level of growth already achieved.

The Group's business is dependent on the security, integrity and operational performance of the systems, products and services that it offers

The Group's offering is based exclusively on online games which rely on the security and good functioning of the internet connectivity through which users play the Group's games. Accordingly, the performance of the Group's business depends heavily on the integrity, reliability and operational performance of its IT systems, as well as the Internet itself. The functioning of the IT systems within the Group's businesses, or that of its suppliers, contractors or partners, could be disrupted for reasons beyond its control, including accidental damage, disruptions to the supply of utilities or services, safety issues, cyber-crime, system failures, workforce actions or environmental contaminations. Furthermore, there may be technological challenges in rolling out new products and services leading to temporary outages in the Group's systems meaning that users are not able to play during the down-time and therefore revenue streams would be halted for that period. While the Group runs through separate servers and platforms, which means that it would be unlikely that a significant number of servers would be impacted at the same time by any disruption, disruptions or events relating to a number of the larger grossing titles of the Group may lead to lost customers and therefore decreased revenue as well as potential customer claims against the Group for potential data breaches, or otherwise negatively impact the Group's ability to sell products and services to its customers, and as a result could have a material adverse effect on the Group's proper function, revenues and operating profit.

The Group and its customers are vulnerable to hacking, viruses, malicious acts and other cybercrime

The Group's business, as an online business, is subject to the risk of being adversely affected by activities such as system intrusions, virus spreading and other forms of cybercrime, or malicious behaviour by individual customers or others. Such activities can disrupt internet sites, cause system failures, business disruptions or boycotts and may damage the computer equipment of the Group, its customers or end users. The impact of any such activities, or the Issuer's inability to successfully protect the Group from such attacks, if significant could lead to significant loss of revenues due to the games being unavailable for a period of time while the effects of such disruption or damage is remedied by the Group. Furthermore, the Group holds certain customer data which is protected in line with local regulations, however, if this data were accessed by third parties illegally, the Group could be subject to claims from customers and/or regulatory bodies leading to significant costs in terms of fines and/or remedies required to make its systems secure again. It could also lead to a loss of trust in the Group's systems and games and accordingly lead to lost customers and therefore decreased revenues. Any of the above risks could have a negative impact on the Group's profitability and revenues and as a result could have a material adverse effect on the Group's business and its financial condition.

The Group applies a de-centralized organisational model which may adversely affect the Group's corporate governance, financial reporting and decision-making

The Group applies a de-centralized organisational model, which means that the Subsidiaries are largely responsible for and conduct the business independently, and that the number of collaborations within the Group is limited. The Group places the responsibility on each Subsidiary to refer certain decisions or provide information to the Company's board of directors, to ensure that the Group upholds the necessary level of internal control and governance, while simultaneously maintaining its delegated structure. The Group management controls and monitors the activities and development of the Subsidiaries. However, there is no coordination in terms of the use of standard contracts etc. within the Group. In contradiction of what is set out in the Company's owner instruction, which describes the legal and operational model of the Group, the Group management is generally not represented on the board or management of the Subsidiaries, but the Subsidiaries' local boards and management have a far-reaching responsibility to report to the Group management and board.

Corporate governance in a de-centralised organization such as the Group sets high requirements for financial reporting and follow-up. The Subsidiaries within the Group use various accounting system which demands increased accuracy requirements and may entail increased risk. The de-centralised business model has historically been of benefit to the Group, particularly in light of the different Subsidiaries' far-reaching autonomy. However, there is a risk that the organizational model proves less suitable to meet market challenges and regulatory requirements and that the Group's competitiveness and market position can thus be weakened. There is also a risk that the lack of expertise in the various Subsidiaries, in areas such as law of finance, may lead to incomplete, slow or inaccurate business decisions.

Risks related to the nature of the Bonds

Dependency on subsidiaries

The Issuer holds no significant assets other than the shares in its subsidiaries. The Issuer is reliant on receipt of dividends, other distributions, revenues, cash pooling arrangements and interest and borrowing of intra-group loans from its direct and indirect subsidiaries sufficient to fulfil its payment obligations under the Terms and Conditions. A decrease in the value generated in the business of the subsidiaries and/or revenues therefrom may have an adverse impact on the Issuer's ability to make payments under the Bonds.

Structural subordination

The Bonds will constitute structurally subordinated liabilities of the Issuer's subsidiaries, meaning that creditors of claims against a subsidiary will be entitled to payment out of the assets of such subsidiary before the Issuer. The subsidiaries are legally separate entities and distinct from the Issuer, and have no obligation to settle or fulfil the Issuer's obligations. In the event of the insolvency of a subsidiary, there is a risk that the Issuer and its assets are affected by actions of the creditors of a subsidiary. The insolvency of any subsidiaries may affect the financial position of the Issuer negatively, and have material adverse effect on the Issuer's ability to make payments of interest or repayments under the Bonds.

Possible material interests

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. Swedbank AB (publ) is currently one of the lenders under a SEK 2.1 billion revolving and term loan facilities agreement, which have been entered into by, inter alia, the Company as borrower. Any such conflict may have a material adverse effect on the price of the Bonds.

Benchmark Regulation

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

Statement of Responsibility

The Issuer has issued initial bonds on 26 June 2019 (the “**Initial Bonds**” or the “**Initial Bond Issue**”) and subsequent bonds on 5 February 2020 (the “**Subsequent Bonds**” or the “**Subsequent Bond Issue**”).

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer, in respect of the Initial Bond Issue 12 June 2019 and, in respect of the Subsequent Bond Issue, 22 January 2020. This Prospectus has been prepared in connection with the Issuer’s application to list the Bonds on the corporate bond list of NASDAQ Stockholm, in accordance with the Prospectus Regulation.

The Issuer is the source of, and is responsible for, the information given in this Prospectus. The Issuer confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and the Prospectus makes no omission likely to affect its import. The Issuer has not sourced information from any third party for the purpose of preparing this Prospectus.

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

Statements in this Prospectus about current and future market conditions and prospects for the Issuer have been made on a best judgement basis.

Stockholm, 22 June 2020

Stillfront Group AB (publ)

The Board of Directors

Overview of the Bonds

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

General

Issuer	Stillfront Group AB (publ).
The Bonds	SEK 1,000,000,000 in aggregate principal amount of senior unsecured floating rate bonds due 2024.
Issue Date	26 June 2019 in respect of the Initial Bond Issue and 5 February 2020 in respect of the Subsequent Bonds.
Issue Price of Initial Bonds	100 per cent.
Issue Price of Subsequent Bonds	105.25 per cent.
Interest Rate	Interest on the Bonds is paid at a rate equal to the sum of (i) 3-months STIBOR plus (ii) 4.75 per cent. <i>per annum</i> . For a historic development of STIBOR, please see https://www.riksbank.se/en-gb/statistics/search-interest--exchange-rates/ . As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.
Interest Payment Dates	Quarterly in arrear on 26 March, 26 June, 26 September and 26 December in each year.
Final Maturity Date	26 June 2024.
Nominal Amount	The Bonds have a nominal amount of SEK 1,250,000 each.
Use of Proceeds	The Issuer has used the proceeds of the Initial Bonds for (i) partial funding, directly or by way of repayment of the Permitted Bridge Facility, of the acquisition of the Target, (ii) general corporate purposes of the Group (including but not limited to acquisitions and earnout payments), and (iii) financing Transaction Costs relating to the Initial Bond Issue. The Net Proceeds of the Subsequent Bond Issue were/will be used to finance general corporate purposes of the Group, including but not limited to investments and acquisitions. The estimated net proceeds of the Bonds was approx. SEK 1,008,000,000.
Status of the Bonds	The Bonds constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer and: <ul style="list-style-type: none"> rank at least <i>pari passu</i> with all other direct, general, unconditional and unsubordinated obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents;

- rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Bonds; and
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness.

Call Option

Call Option	The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 12.3 (<i>Early Voluntary Redemption by the Issuer (Call Option)</i>) of the Conditions.
Call Option Amount	<ul style="list-style-type: none"> • 102.375 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the First Call Date to (but excluding) the date falling forty-two (42) months after the First Issue Date; • 101.663 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling forty-two (42) months after the First Issue Date to (but excluding) the date falling forty-eight (48) months after the First Issue Date; • 100.950 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling forty-eight (48) months after the First Issue Date to (but excluding) the date falling fifty-four (54) months after the First Issue Date; or • 100.475 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling fifty-four (54) months after the First Issue Date to (but excluding) the Final Redemption Date, <p>provided that if the redemption is financed with a new Market Loan, the Issuer may redeem the Bonds from, and including, the date falling fifty-four (54) months after the First Issue Date to (but excluding) the Final Redemption Date at a price equal to 100.00 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed).</p>
First Call Date	The date falling thirty-six (36) months after the issue date of the Initial Bond Issue or, to the extent such day is not a CSD Business Day, the first following day that is a CSD Business Day.

Put Option

Put Option	Upon a Change of Control Event, a De-listing Event or a Listing Failure Event 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) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event.
Change of Control Event	The occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer, where “ control ” means (i) acquiring or controlling, directly or indirectly, more than fifty (50) per cent. of the voting rights or share capital of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.
De-listing Event	The occurrence of an event whereby (i) the shares in the Issuer cease to be listed and admitted to trading on NASDAQ First North (or any other MTF or Regulated Market), or (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days or more.
Listing Failure Event	The Initial Bonds have not been admitted to trading on a Permitted Exchange within sixty (60) calendar days after the First Issue Date.

Covenants

Certain Covenants	<p>The Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none">• restrictions on making distributions;• listing undertakings;• restrictions on making any material changes to the general nature or scope of their business;• restrictions on mergers and de-mergers;• restrictions on the incurrence of Financial Indebtedness;• a negative pledge, restricting the granting of security on Financial Indebtedness;• restrictions on the disposal of assets; and• restrictions relating to discontinuation and infringement of intellectual property.
--------------------------------	--

Each of these covenants is subject to significant exceptions and qualifications. See “*Terms and Conditions of the Bonds*”.

Miscellaneous

Competent Authority	This Prospectus has been approved by the Swedish Financial Supervisory Authority (the “ SFSA ”) (Sw. <i>Finansinspektionen</i>) as the competent
----------------------------------	--

authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

The approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

The approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities.

Transfer Restrictions..... The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Bonds are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from the registration requirements of the U.S. Securities Act.

Time-Bar 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.

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.

Taxation..... Potential investors are strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Bonds. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Bonds.

An investor's country of residence may not be the same as the Issuer's country of incorporation and may therefore potentially have an impact on the income received from the Bonds.

Listing The Bonds shall be admitted to trading on the Corporate Bond List of Nasdaq Stockholm within 12 months from the First Issue Date. The Bonds are currently listed on Frankfurt Stock Exchange's Open Market.

Application for listing of the Bonds on the Corporate Bond List of Nasdaq Stockholm will be filed in immediate connection with the Swedish Financial Supervisory Authority's (Sw. *Finansinspektionen*) approval of this Prospectus.

The total amount of Bonds that will be subject to the application for listing are 800.

Agent..... Intertrust (Sweden) AB (reg. no. 556625-5476) with registered address P.O. Box 162 85, 103 25 Stockholm, Sweden.

The rights and obligations of the Agent are set forth in the Terms and Conditions which are available at the Issuer's web page: <https://www.stillfront.com>.

Governing Law of the Bonds..... Swedish law.

Risk Factors..... Investing in the Bonds involves substantial risks and prospective investors should refer to the section "*Risk Factors*" contained in this Prospectus for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

Terms & Conditions of the Bonds

The following is the text of the terms and conditions which are applicable to the Bonds

1. Definitions and Construction

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means IFRS.

“**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 ninety (90) calendar days after the date of supply, or (ii) any other trade credit incurred in the ordinary course of trade of the relevant Group Company. For the avoidance of doubt, an Earn-Out Agreement shall not constitute an Advance Purchase Agreement.

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

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

“**Agent**” means the Holders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Intertrust (Sweden) AB (reg. no. 556625-5476) with registered address P.O. Box 162 85, 103 25 Stockholm, Sweden.

“**Book-Entry Securities System**” means the VPC system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

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

“**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.

“**Calculation Principles**” means for the purpose of the Incurrence Test that:

- (i) the Leverage Ratio shall be calculated as per a testing date determined by the Issuer, falling no earlier than in the period one (1) month prior to the event in respect of which the Incurrence Test shall be made;

- (ii) the Net Interest Bearing Debt shall be measured on the relevant testing date, however so (a) that the amount of the Restricted Payment or new Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt (provided that, in the case of Financial Indebtedness, such Financial Indebtedness is an interest bearing obligation), and (b) that any cash balance/proceeds resulting from the incurrence of any such new Financial Indebtedness shall not reduce the Net Interest Bearing Debt;
- (iii) 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
- (iv) 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 (including the new Financial Indebtedness on a *pro forma* basis) shall be used for the Incurrence Test, but adjusted so that:
 - (A) 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;
 - (B) any entity to be acquired with the proceeds from the new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period;
 - (C) the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA, *mutatis mutandis*) of 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;
 - (D) any Finance Charges in relation to 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; and
 - (E) any Finance Charges in relation to new Financial Indebtedness incurred in relation to an entity acquired during the Relevant Period shall be included, *pro forma*, for the entire Relevant Period.

“Call Option” means the Issuer’s right to redeem outstanding Bonds in full in accordance with Clause 12.3 (*Early Voluntary Redemption by the Issuer (Call Option)*).

“Call Option Price” means:

- (a) 102.375 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the First Call Date to (but excluding) the date falling forty-two (42) months after the First Issue Date;
- (b) 101.663 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling forty-two (42) months after the First Issue Date to (but excluding) the date falling forty-eight (48) months after the First Issue Date;

- (c) 100.950 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling forty-eight (48) months after the First Issue Date to (but excluding) the date falling fifty-four (54) months after the First Issue Date; or
- (d) 100.475 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed) if the Call Option is exercised from (and including) the date falling fifty-four (54) months after the First Issue Date to (but excluding) the Final Redemption Date.

“Change of Control Event” means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer, where **“control”** means (i) acquiring or controlling, directly or indirectly, more than fifty (50) per cent. of the voting rights or share capital of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“Compliance Certificate” means a certificate, substantially in the form set out in Schedule 1 (*Form of Compliance Certificate*) to these Terms and Conditions, signed by the CEO, CFO or any other authorised signatory of the Issuer, certifying (i) satisfaction of the Incurrence Test (if relevant) and (ii) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it and include the identity of each Material Group Company (only to the extent required by these Terms and Conditions). If the Compliance Certificate is provided in connection with an Incurrence Test, the certificate shall include calculations and figures in respect of the Incurrence Test.

“Conditions Precedent for Disbursement” means all actions and documents set forth in Clause 6 (*Conditions Precedent for Disbursement*).

“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) with registered address P.O. Box 191, SE-101 23 Stockholm, Sweden.

“CSD Business Day” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“De-listing Event” means the occurrence of an event whereby (i) the shares in the Issuer cease to be listed and admitted to trading on Nasdaq First North (or any other MTF or Regulated Market) or (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days or more.

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

“Earn-Out Agreement” means any earn-out agreement or similar arrangement entered into by a Group Company in relation to an acquisition made by the Group.

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

- (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) **not including** any accrued interest owing to any Group Company;

- (d) **after adding back** any amount attributable to the amortisation, depreciation or impairment of assets of Group Companies;
- (e) **before taking into account** any Exceptional Items;
- (f) **before deducting** any Transaction Costs;
- (g) **after deducting** the amount of any profit (or **adding back** the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) **plus or minus** the Group's share of the profits or losses (after finance costs and tax) of entities which are not part of the Group;
- (i) **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);
- (j) **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);
- (k) **before taking into account** any gain or loss arising from an upward or downward revaluation of any other asset;
- (l) **before taking into account** any gains from debt buy-backs; and
- (m) **not including** any revaluation of amounts payable under any Earn-Out Agreement.

"Escrow Account" means the Issuer's bank account held with the Escrow Bank into which the Net Proceeds will be transferred and which has been pledged in favour of the Agent and the Holders (represented by the Agent) under the Escrow Account Pledge Agreement. The Escrow Account shall be blocked so that no withdrawals can be made therefrom without the Agent's prior written consent.

"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).

"Escrow Bank" means Skandinaviska Enskilda Banken AB (publ).

"Event of Default" means an event or circumstance specified in Clause 14.1.

"Exceptional Items" means any exceptional, one-off, non-recurring or extraordinary items to the extent these are one off and non-recurring in nature.

"Existing Bonds" means the SEK 600,000,000 senior unsecured floating rate bonds 2018/2022 with ISIN 0011897925.

"Final Redemption Date" means 26 June 2024 or such earlier date on which the Bonds are redeemed in full.

"Finance Charges" means, for any 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 paid or payable by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) in cash or capitalised in respect of that Relevant Period:

- (a) **excluding** any Transaction Costs;

- (b) **including** the interest (but not the capital) element of payments in respect of finance leases; and
- (c) **including** any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any Group Company under any interest rate hedging arrangement.

“Finance Documents” means these Terms and Conditions, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including debit balances and 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 31 December 2018 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on 31 December 2018 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 (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;
- (g) (for the purpose of measuring the Incurrence Test only) any amount finally determined but unpaid under any Earn-Out Agreement; and
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(g).

“Financial Instruments Accounts Act” means the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*).

“Financial Report” means each of the annual audited consolidated financial statements of the Group and the quarterly interim unaudited consolidated reports of the Group, which shall be prepared and made available in accordance with paragraphs (a) and (b) of Clause 13.10.

“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 CSD Business Day, the first following day that is a CSD Business Day.

“First Issue Date” means 26 June 2019.

“Force Majeure Event” has the meaning set forth in Clause 26.1.

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

“Holder” means each Person registered as an owner (*Sw. ägare*) or nominee holder (*Sw. förvaltare*) of a Bond.

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

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

“Incurrence Test” means the test which is met if:

- (a) the Leverage Ratio is less than 2.50:1;
- (b) the Interest Coverage Ratio exceeds 2.75:1; and
- (c) no Event of Default is continuing or would occur upon the incurrence.

“Initial Bonds” means the Bonds issued on the First Issue Date.

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

“Intellectual Property” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Group Company (which may now or in the future subsist).

“Interest” means the interest on the Bonds calculated in accordance with Clauses 11.1–11.3.

“Interest Coverage Ratio” means the ratio of EBITDA to Net Finance Charges, calculated in accordance with the Calculation Principles (as applicable).

“Interest Payment Date” 26 March, 26 June, 26 September and 26 December in each year (with the first Interest Payment Date on 26 September 2019 and the last Interest Payment Date being the Final Redemption Date), or to the extent such day is not a CSD Business Day, the first following day that is a CSD 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 CSD Business Day.

“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 (or the First Issue Date if issued prior to the first Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“Interest Rate” means a floating rate of 3-months STIBOR plus 4.75 per cent. per annum, *provided that*, if the Interest Rate is below zero (0), it shall be deemed to be zero (0).

“Issuer” means Stillfront Group AB (publ) (reg. no. 556721-3078), a public limited liability company incorporated in Sweden with registered address Sveavägen 9, 111 57 Stockholm, Sweden.

“Issuing Agent” means Swedbank AB (publ) or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Leverage Ratio” means the ratio of Net Interest Bearing Debt to EBITDA, calculated in accordance with the Calculation Principles (as applicable).

“Listing Failure Event” means a situation where the Initial Bonds have not been admitted to trading on a Permitted Exchange within sixty (60) calendar days after the First Issue Date.

“Market Loan” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term notes and other market funding programmes), provided in each case that such instruments and securities are traded, or are capable of being traded, on a Regulated Market or recognised unregulated market place.

“Material Adverse Effect” means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Issuer’s ability to perform and comply with its obligations under any of the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

“Material Group Company” means each of:

- (a) the Issuer;
- (b) MidCo; and
- (c) any Subsidiary of the Issuer which on a consolidated basis:
 - (i) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) representing five (5) per cent. or more of EBITDA; or
 - (ii) has assets (excluding intra-group items) with a book value representing five (5) per cent. or more of Total Assets,

in each case as determined by reference to the latest annual audited consolidated Financial Report of the Group and as confirmed by the Issuer in the Compliance Certificate provided in relation to such Financial Report.

“MidCo” means Stillfront Midco AB (reg. no. 559110-4053), a limited liability company incorporated under the laws of Sweden with registered address Sveavägen 9, 111 57 Stockholm, which is wholly-owned (directly) by the Issuer.

“MTF” means any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

“Nasdaq Stockholm” means the Regulated Market of Nasdaq Stockholm Aktiebolag (reg. no 556420-8394).

“Net Finance Charges” means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income received by any Group Company (in each case other than by or from another Group Company) on cash or cash equivalent investment of the Group.

“Net Interest Bearing Debt” means the aggregate interest bearing Financial Indebtedness of the Group (excluding any interest bearing Financial Indebtedness borrowed from any Group Company) less cash and cash equivalents of the Group (including funds held on the Escrow Account) according to the latest Financial Report or per the relevant testing date if measured in relation to the Incurrence Test (as applicable), in accordance with the Accounting Principles, adjusted in accordance with the Operational Lease Freeze.

“Net Proceeds” means the gross proceeds from the relevant Bonds, **minus** (i) in respect of the Initial Bonds, the transaction costs incurred by the Issuer in conjunction with the issuance thereof and (ii) in respect of any Subsequent Bonds, the costs incurred by the Issuer in conjunction with the issuance thereof.

“Nominal Amount” has the meaning set forth in Clause 3.1.

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

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

“Permitted Bridge Facility” means the up to SEK 500,000,000 bridge facility provided under a SEK 1,400,000,000 revolving and bridge facilities agreement with Swedbank AB (publ) originally dated 13 December 2018 as amended and restated by an amendment and restatement agreement dated 31 May 2019.

“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 on a *pro forma* basis including such Subsequent Bond Issue));
- (b) if the Net Proceeds will not be used to fund the acquisition of the Target directly, up until the release of the Net Proceeds of the Initial Bond Issue from the Escrow Account, incurred under the Permitted Bridge Facility;
- (c) in the form of the Existing Bonds;
- (d) 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;
- (e) related to any agreements under which a Group Company leases office space (*Sw. kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of business of such Group Company;
- (f) arising under a loan to another Group Company;
- (g) under any pension and tax liabilities incurred in the ordinary course of business;
- (h) 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**”);
- (i) incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity holding Financial Indebtedness, provided that the Incurrence Test is met (calculated *pro forma* including the acquired entity in question) and if, and only to the extent, such Financial Indebtedness is not permitted under any other exceptions contained in the definition of “Permitted Debt”, such Financial Indebtedness is unwound within a clean-up period of ninety (90) calendar days from the completion of the relevant acquisition;
- (j) arising under any Earn-Out Agreement;
- (k) incurred in the ordinary course of business under Advance Purchase Agreements;

- (l) incurred by the Issuer in the form of a Market Loan, provided that such Financial Indebtedness:
 - (i) meets the Incurrence Test (calculated *pro forma* including such incurrence); and
 - (ii) is unsecured and ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Finance Documents;
- (m) incurred under any Permitted Financing
- (n) incurred under any Permitted Revolving Credit Facility;
- (o) incurred under any Permitted Working Capital Facility; and
- (p) not permitted by items (a) to (o) above, in an aggregate amount not at any time exceeding SEK 20,000,000 and incurred in the ordinary course of the Group's business (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

"**Permitted Exchange**" means (i) Nasdaq First North Bond Market, or (ii) the Frankfurt Stock Exchange Open Market (*Freiverkehr*) (or any other recognised market place).

"**Permitted Financing**" means any bilateral or syndicated term loan or other similar financing (for the avoidance of doubt, not including any Permitted Revolving Credit Facility, Permitted Working Capital Facility or Market Loan) entered into by a Group Company with one or more reputable Nordic or international banks, financial institutions, trusts, funds or other lenders, provided that the Incurrence Test is met *pro forma* at the time when the available amount relating to such Permitted Financing is incurred.

"**Permitted Revolving Credit Facility**" means one or more revolving credit facilities (to be applied for the general corporate, working capital, capital expenditure and acquisition purposes of the Group, and including but not limited to any overdraft facilities and/or ancillary facilities) entered into by a Group Company with a reputable Nordic or international bank (for the avoidance of doubt, not including any Permitted Financing) with an aggregate maximum commitment of SEK 800,000,000, which aggregate maximum commitment may be increased from time to time, provided that the Incurrence Test is met *pro forma* at the time of such increase (calculated as if the full commitment available under the relevant Permitted Revolving Credit Facility as increased has been utilised).

"**Permitted Security**" means any security or guarantee in respect of any Financial Indebtedness (or refinancing thereof):

- (a) provided in accordance with the Finance Documents;
- (b) provided in relation to the Permitted Bridge Facility;
- (c) provided in connection with a redemption of the Bonds in full and constituting a first priority pledge over a bank account in the name of the Issuer for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (d) provided in relation to any finance lease agreement, entered into by a Group Company in the ordinary course of the Group's business;
- (e) provided in relation to a Derivative Transaction and not consisting of security interests in shares in any Group Company;
- (f) incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity has provided security, provided that the debt secured with such security constitutes Permitted Debt in accordance with item (i) of the definition of "Permitted Debt"

and that such security is promptly released in connection with the unwinding of such debt in accordance with item (i) of the definition of “Permitted Debt”;

- (g) arising by operation of law and in the ordinary course of trading (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised) and in each case not as a result of any default or omission by any Group Company;
- (h) arising under any netting or set-off arrangements under financial derivatives transactions or bank account arrangements (including but limited to cash-pool arrangements);
- (i) provided in relation to any Permitted Financing as set out in item (m) of the definition of “Permitted Debt”;
- (j) provided in relation to any Permitted Revolving Credit Facility as set out in item (n) of the definition of “Permitted Debt”;
- (k) provided in relation to any Permitted Working Capital Facility as set out in item (o) of the definition of “Permitted Debt”;
- (l) provided in relation to the Permitted Basket and not consisting of security interests in shares of any Group Company or, if provided in relation to finance leasing arrangements, is granted only in the leased asset in question; and
- (m) not otherwise permitted above which secures debt in an amount not exceeding SEK 20,000,000 (or its equivalent in other currencies) at any time.

“Permitted Working Capital Facility” means any working capital facility (to be applied for the working capital purposes of the Group and including but not limited to overdraft facilities and/or ancillary facilities) entered into by a Group Company with a reputable Nordic or international bank (for the avoidance of doubt, not including any Permitted Financing) with an aggregate maximum commitment of SEK 200,000,000, which aggregate maximum commitment may be increased from time to time, provided that the Incurrence Test is met *pro forma* at the time of such increase (calculated as if the full commitment available under the relevant Permitted Working Capital Facility as increased has been utilised).

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

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

“Record Date” means the fifth (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 15 (*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 12 (*Redemption, repurchase and prepayment of the Bonds*).

“Regulated Market” means any regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

“Relevant Period” means each period of twelve (12) consecutive calendar months ending on the last day of the period covered by a Financial Report.

“Restricted Payment” has the meaning set forth in Clause 13.1.

“Securities Account” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“SEK” means the lawful currency of Sweden for the time being.

“STIBOR” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another system or website replacing it) as of or around 11.00 a.m. (Stockholm time) on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date;
- (c) if no such rate as set out in item (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by banks reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered for the relevant period.

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

“Subsequent Bond Issue” has the meaning set forth in Clause 3.3.

“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) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, or (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

“Target” means KIXEYE, Inc..

“Total Assets” means the book value of the total consolidated assets of the Group as shown in the most recent annual Financial Report of the Group.

“Transaction Costs” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with any acquisition or disposal permitted under the Terms and Conditions or the incurrence of any Permitted Debt, including the issuance and listing of the Bonds (including any Subsequent Bonds).

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

1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (c) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (d) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.

1.2.2 Clause headings are for ease of reference only.

1.2.3 Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

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

1.2.5 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (<https://www.riksbank.se>). If no such rate is available, the most recently published rate shall be used instead.

1.2.6 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.

1.2.7 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. Status of the Bonds

2.1 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.

2.2 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 agreement.

2.3 The Bonds constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank at least *pari passu* with all other direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents.

3. Nominal Amounts of the Bonds

3.1 The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.

- 3.2** The aggregate nominal amount of the Initial Bonds as at the First Issue Date is SEK 500,000,000. All Initial Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- 3.3** The Issuer may on one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), provided that:
- (a) no Event of Default is continuing or would result from such Subsequent Bond Issue;
 - (b) the Incurrence Test (including such Subsequent Bond Issue on a *pro forma* basis) is met; and
 - (c) the maximum aggregate nominal amount of the Bonds issued may not exceed SEK 1,000,000,000 as a result of such Subsequent Bond Issue.

Subsequent Bonds shall benefit from and be subject to the Finance Documents and, for the avoidance of doubt, the ISIN, the Interest Rate, the currency, the Nominal Amount and the Final Redemption Date of the Initial Bonds shall apply also to Subsequent Bonds. The issue price of Subsequent Bonds may be set at, or at a discount or at a premium to, the Nominal Amount.

4. Use of Proceeds

The Net Proceeds of the Initial Bond Issue shall be used towards (i) partial funding, directly or by way of repayment of the Permitted Bridge Facility, of the acquisition of the Target, (ii) general corporate purposes of the Group (including but not limited to acquisitions and earn-out payments), and (iii) financing Transaction Costs relating to the Initial Bond Issue. The Net Proceeds of any Subsequent Bond Issue shall be used to finance general corporate purposes of the Group, including but not limited to investments and acquisitions.

5. Escrow of Proceeds

- 5.1** The Issuer shall establish the Escrow Account prior to the First Issue Date.
- 5.2** On the First Issue Date, the Issuing Agent shall transfer the Net Proceeds from the issuance of the Initial Bonds 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 from the issuance of the Initial Bonds 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.

6. Conditions Precedent for Disbursement

- 6.1** Disbursement of the Net Proceeds from the issuance of the Initial Bonds to the Escrow Account will be subject to the following conditions precedent having been received by the Agent (no later than two (2) Business Days prior to the First Issue Date):
- (a) a duly executed copy of the Terms and Conditions;
 - (b) a duly executed copy of the Agency Agreement;
 - (c) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) of the Issuer; and

- (d) the Escrow Account Pledge Agreement duly executed by all parties thereto and all documents to be delivered pursuant to such agreement (including all applicable notices, acknowledgements and consents from the account bank).

The release of the Net Proceeds from the Escrow Account will be subject to customary closing procedures for refinancings and the following conditions precedent having been received by the Agent:

- (e) evidence, by way of a funds flow statement that either (i) the Permitted Bridge Facility will be repaid in full or (ii) the Issuer has sufficient funds to acquire the Target; and
- (f) in the event that the Bonds will be used directly towards partial funding of the acquisition of the Target, a closing certificate issued by the Issuer confirming that (i) the conditions for the acquisition of the Target (except for the payment of the purchase price) have been satisfied or waived (ii) no default or Event of Default has occurred or is continuing under the Existing Bonds (iii) and that the acquisition will be consummated immediately upon disbursement of funds from the Escrow Account.

The Escrow Account Pledge Agreement shall, subject to the applicable closing procedure, be established before the First Issue Date prior to the Net Proceeds being transferred to the Escrow Account. The Agent shall have the right (acting in its sole discretion) to release the pledge over the Escrow Account upon the release of funds from the Escrow Account following the satisfaction of the Conditions Precedent contained in (e) - (f) above (as applicable).

6.2 The Issuer shall provide to the Agent (no later than two (2) days prior to the relevant issue date) in respect of Subsequent Bonds, the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
- (b) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the issue of the Subsequent Bonds and that the Incurrence Test will be met; and
- (c) such other documents and information as is agreed between the Agent and the Issuer.

6.3 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 6.1 (a)-(d) or 6.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and Waivers*)). The relevant issue date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent prior to the relevant issue date, or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant issue date.

6.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 6.3, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Escrow Account on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 6.3, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant issue date.

6.5 If the Agent determines that it has not received the conditions precedent set out in Clause 6.1 on or before the Business Day falling 30 days after the First Issue Date and the Agent has not amended or waived such conditions in accordance with Clause 19 (*Amendments and Waivers*), the Agent shall promptly notify the Issuer and the Issuer shall (upon receipt of such notice from the Agent) redeem all, but not some only, of the outstanding Notes in full at a price equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid interest (a "**Special Mandatory Redemption**"). The Agent may use the whole or any part of the amounts standing to the credit on the Escrow Account to fund a Special Mandatory Redemption. Any shortfall shall be covered by the Issuer.

6.6 A Special Mandatory Redemption shall be made by the Issuer giving notice to the Holders promptly following receipt of the notice referred to in Clause 6.5 above, including the date of such redemption.

The Issuer shall redeem the Notes in full at the applicable price on a date specified in the notice from the Issuer, such date to fall no later than ten (10) Business Days after the effective date of the notice. The notice shall specify the Record Date for the redemption.

- 6.7** The Agent may assume that the documentation and evidence delivered under Clauses 6.1 and/or 6.2 is accurate, legally valid, enforceable, correct and true and the Agent does not have to verify or assess the contents of any such documentation. The Conditions Precedent are not reviewed by the Agent from a legal or commercial perspective of the Holders.

7. The Bonds and Transferability

- 7.1** 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.

- 7.2** 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 and any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the Bond transferee.

- 7.3** The Bonds are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Holder may be subject. 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.

- 7.4** 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.

8. Bonds in Book-Entry Form

- 8.1** 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 Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

- 8.2** 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 Financial Instruments Accounts Act.

- 8.3** 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.

- 8.4** 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.

- 8.5** 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.
- 8.6** 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.
- 8.7** The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 8.3 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.

9. Right to Act on behalf of a Holder

- 9.1** 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), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 9.2** A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder.
- 9.3** 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 9.1 and 9.2 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.

10. Payments in respect of the Bonds

- 10.1** 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.
- 10.2** 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.
- 10.3** 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 11.4 during such postponement.
- 10.4** If payment or repayment is made in accordance with this Clause 10, 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, 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.

- 10.5** 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.

11. Interest

- 11.1** 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 (or the First Issue Date if there is no such Interest Payment Date) up to and including the relevant Redemption Date.
- 11.2** 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.
- 11.3** Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 11.4** If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 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.

12. Redemption, Repurchase and Prepayment of the Bonds

12.1 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 CSD Business Day, the first following day that is a CSD 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 CSD Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

12.2 Purchase of Bonds by the Issuer

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

12.3 Early Voluntary Redemption by the Issuer (Call Option)

- 12.3.1** The Issuer may, provided that the Existing Bonds have been redeemed in full (or the relevant consent has been received from the holders of the Existing Bonds) prior to the date of any proposed redemption, redeem all, but not only some, of the Bonds in full on any CSD Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price, provided that if the redemption is financed with a new Market Loan, the Issuer may redeem the Bonds

from, and including, the date falling fifty-four (54) months after the First Issue Date to (but excluding) the Final Redemption Date at a price equal to 100.00 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued and unpaid interest on the Bonds to be redeemed).

- 12.3.2 Redemption in accordance with Clause 12.3.1 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.

12.4 Mandatory Repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (Put Option)

- 12.4.1 Upon a Change of Control Event, a De-listing Event or a Listing Failure Event 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) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 13.10(e). 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 Event (as applicable).

- 12.4.2 The notice from the Issuer pursuant to Clause 12.4.1 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.4.1. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.4.1.

- 12.4.3 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 12.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 12.4 by virtue of the conflict.

- 12.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 12.4 may at the Issuer's discretion be retained or sold, but not cancelled, in accordance with Clause 12.2 (*Purchase of Bonds by the Issuer*).

13. Special Undertakings

So long as any Bond remains outstanding, the Issuer undertakes to (and shall procure that each Group Company (as applicable) will) comply with special undertakings set forth in this Clause 13.

13.1 Distributions

- 13.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans, (v) grant any loans except to Group Companies, or (vi) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or its Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(vi) above are together and individually referred to as a "**Restricted Payment**").

13.1.2 Notwithstanding the above, a Restricted Payment may be made (A) by any Group Company if such Restricted Payment is made to another Group Company, (B) by the Issuer if, at the time of the payment, paragraph (a) of the definition of “Incurrence Test” above is met (calculated on a *pro forma* basis including the relevant Restricted Payment), and the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit as set out in the annual audited consolidated financial statements of the Issuer for the preceding financial year, or (C) if and to the extent necessary to comply with mandatory provisions of the Swedish Companies Act relating to dividend distributions to minority shareholders, provided that, the Issuer in such case shall ensure that any such dividends shall be paid at the lowest level allowed by applicable law.

13.2 Admission to trading

The Issuer shall ensure (i) that the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, within twelve (12) months after the First Issue Date, (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (iii) that, upon any Subsequent Bond Issue, following a successful listing pursuant to (i) above, the relevant Subsequent Bonds shall be admitted to trading on the relevant Regulated Market as soon as reasonably practicable and in any event within 30 Business Days from the relevant issue date.

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 each of 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 each of the Group Companies has the right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

13.6 Disposal of Assets

The Issuer shall not, and shall procure that none of its Subsidiaries will, sell, transfer or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of its 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 13.10(g).

13.7 Dealings with Related Parties

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

13.8 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 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.

13.9 Intellectual Property

The Issuer shall (and the Issuer shall procure that each other Group Company will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Group member;
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;
- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any Group Company to use such property; and
- (e) not discontinue the use of the Intellectual Property,

where failure to do so or such use, permission to use, omission or discontinuation (as applicable), is reasonably likely to have a Material Adverse Effect.

13.10 Financial Reporting Etc.

The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, 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 Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and 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) 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 Incurrence Test is met and (ii) 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 the website of the Group;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, a De-listing Event or a Listing Failure Event, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event, a Listing Failure Event 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;
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time); and
- (g) notify the Agent of any transaction referred to under 13.6 (*Disposal of Assets*) 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).

13.11 Agency Agreement

13.11.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information 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 Agency Agreement.

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

13.12 CSD Related Undertakings

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

13.12.2 The Issuer shall at all times keep an updated copy of the register of Holders maintained by the CSD.

14. Termination of the Bonds

14.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least 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 14.6 or 14.7, on behalf of the Holders, terminate the Bonds and 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) **Other Obligations:** The Issuer fails to comply with its obligations under a Finance Document, in any other way than as set out under (a) above, unless the non-compliance is (a) capable of remedy; and (b) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant party becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such notice being given);
- (c) **Cross-Acceleration:** Any Financial Indebtedness of a Group Company is not paid when due (as extended by any originally applicable grace period), or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (c) if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 25,000,000 (or its equivalent in any other currency), or (ii) the Financial Indebtedness in question is owed to another Group Company;
- (d) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Holders) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency Proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding up, dissolution, administration or reorganisation (*Sw. företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;
- (f) **Mergers and Demergers:** (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 Agent has or the Holders have (as applicable) given its/their consent (not to be unreasonably withheld or delayed) in writing prior to the decision of the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors and where consent from the Agent may only be given if 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;
- (g) **Creditors' Process:** Any enforcement of security, expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 25,000,000 (or the equivalent) and is not discharged within sixty (60) days;
- (h) **Impossibility or Illegality:** It is or becomes impossible or 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; or
- (i) **Continuation of the Business:** A Material Group Company ceases to carry on its business except if due to (a) a disposal permitted under Clause 13.6 (Disposal of Assets), (b) a solvent liquidation of a Group Company other than the Issuer or (c) a merger or demerger permitted as stipulated in paragraph (f) above and provided that, in relation to a discontinuation of a Material Group Company (other than the Issuer) such discontinuation is likely to have a Material Adverse Effect.

14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 14.1(d)(ii).

14.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.

14.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.

- 14.5** The Issuer is only obligated to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with 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 14.4.
- 14.6** If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.7** If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 14.8** If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9** For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).
- 14.10** If the Bonds are declared due and payable in accordance with this Clause 14, the Issuer shall redeem all Bonds with an amount equal to (i) if on or before the First Call Date, an amount per Bond together with a premium on the due and payable amount set out in paragraph (a) of the definition of "Call Option Price" above (together with accrued but unpaid interest) and (ii) the applicable Call Option Price (together with accrued but unpaid interest).

15. Distribution of Proceeds

- 15.1** If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds 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;

- (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. 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.

- 15.2** If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.3** If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least 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 10.1 shall apply.

16. Decisions by Holders

- 16.1** A request by the Agent for a decision by the Holders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2** Any request from the Issuer or a Holder (or Holders) representing at least ten (10) 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.
- 16.3** 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.
- 16.4** Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 9 (*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 18.3, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- 16.5** The following matters shall require consent of Holders representing at least two-thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
 - (b) reduce the Nominal Amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (c) amend any payment day for principal or Interest or waive any breach of a payment undertaking, or
 - (d) amend the provisions in this Clause 16.5 or 16.6.
- 16.6** Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than fifty (50) 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 18.3. 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 Clauses 19.1(a), 19.1(b) or 19.1(c)), a termination of the Bonds.
- 16.7** 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 16.6.
- 16.8** Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount;
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.9** 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 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.10** 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.
- 16.11** 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.
- 16.12** 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.
- 16.13** 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.

- 16.14** 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.
- 16.15** 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.
- 16.16** 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.

17. Holders' Meetings

- 17.1** 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.
- 17.2** Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than 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 17.1.
- 17.3** The notice pursuant to Clause 17.1 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.
- 17.4** The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.5** 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.
- 17.6** At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy

shall present a duly executed proxy or other document establishing its authority to represent the Holder.

- 17.7** Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

18. Written Procedure

- 18.1** The Agent shall instigate a Written Procedure no later than 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.

- 18.2** Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.

- 18.3** A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 18.4** If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within 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.

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

19. Amendments and Waivers

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

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

(d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).

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

19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to 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.

19.4 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.

20. Appointment and Replacement of the Agent

20.1 Appointment of Agent

20.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and 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.

20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Holder which does not comply with such request.

20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

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

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

20.2 Duties of the Agent

20.2.1 The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution 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.

20.2.2 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.

- 20.2.3 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.
- 20.2.4 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.
- 20.2.5 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.
- 20.2.6 The Agent shall, subject to Clause 25.2.2, 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.
- 20.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event or circumstance 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 15 (*Distribution of proceeds*).
- 20.2.8 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.
- 20.2.9 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.
- 20.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.11 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 20.2.10.

20.3 Limited Liability for the Agent

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.

- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to 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.
- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*).
- 20.3.5 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.

20.4 Replacement of the Agent

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent 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.
- 20.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Holders have not appointed a successor Agent within 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.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of 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.

- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21. Appointment and Replacement of the Issuing Agent

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 21.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

22. Appointment and Replacement of the CSD

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*).

23. No Direct Actions by Holders

- 23.1 A Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.
- 23.2 Clause 23.1 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 20.1.2), such

actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.11 before a Holder may take any action referred to in Clause 23.1.

- 23.3** The provisions of Clause 23.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 12.4 (*Mandatory Repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (Put Option)*) or other payments which are due by the Issuer to some but not all Holders.

24. Time-Bar

- 24.1** The right to receive repayment of the principal of the Bonds shall be time-barred and become void 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.

- 24.2** If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new time-bar period of 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.

25. Notices and Press Releases

25.1 Notices

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent or the Issuing Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on the Business Day prior to dispatch or to such address as notified by the Agent or the Issuing Agent (as applicable) to the Issuer from time to time and, if sent by email by the Issuer, to such email address as notified by the Agent or the Issuing Agent (as applicable) to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address:

Stillfront Group AB (publ)
Att: CFO Andreas Uddman
Sveavägen 9
111 57 Stockholm
Sweden

with a copy to:

Advokatfirma DLA Piper Sweden KB
Att: Peter Ihrfelt
P.O. Box 7315
103 90 Stockholm
Sweden

or such other address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to andreas.uddman@stillfront.com and peter.ihrfelt@dlapiper.com or such other email address as notified by the Issuer to the Agent from time to time; and

- (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Holder in order to receive the communication, and by either courier delivery or letter for all Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.

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

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

25.2 Press Releases

25.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 12.3.1, 12.4, 13.10, 14.6, 15.3, 16.16, 17.1, 18.1, 19.3, 20.2.11 and 20.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice 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.

26. Force Majeure and Limitation of Liability

26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 26.2** The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3** Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 26.4** The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27. Listing

- 27.1** In addition to the provisions of Clause 12.4 (*Mandatory Repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (Put Option)*) and the undertakings in Clause 13.2 (*Admission to trading*), the Issuer intends to have the Initial Bonds admitted to trading on a Permitted Exchange within thirty (30) calendar days after the First Issue Date.

28. Governing Law and Jurisdiction

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

Description of the Group

History and introduction

The Company, which legal and commercial name is Stillfront Group AB (publ), was incorporated on 2 November 2006 as a Swedish private limited liability company operating under the laws of Sweden with registration number 556721-3078 and is registered with the Swedish Companies Registration Office (Sw. Bolagsverket). The Company was subsequently converted into a public limited liability company on 27 October 2015. The registered office of the Company is Sveavägen 9, 111 57 Stockholm, Sweden and its headquarters are located at the same address, with telephone number +46 708 11 64 30. The Company's legal identity identifier (LEI) is 529900SYKCO4GYBTIJ54.

The Company's website is: <https://www.stillfront.com/>. For the avoidance of doubt, other than the parts of the documents incorporated by reference, the contents of the Company's website do not form any part of this Prospectus, and prospective investors, should not rely on such information in making their decision to invest in the Bonds.

In 2010, the current operational structure of the Group was formalised.

From 2012 to 2016, the Company acquired a number of further companies including Power Challenge Holding Ltd (2012), Bytro Labs GmbH (2013), DOG Holdings Ltd (2014), Babil Games (2016) and Simutronics, Corp (2016).

In December 2015, the Company listed its shares on NASDAQ First North Stockholm.

In 2017, the Company issued its first corporate bond loan in an amount of SEK 110 million, under a framework amount of up to SEK 500 million, which was admitted to trading on NASDAQ Stockholm.

In May 2017, the Company acquired eRepublik Labs and in June of the same year the listing of the Company's shares was moved to NASDAQ First North Premier Growth Market.

In January 2018, the Company acquired Altigi GmbH ("**Goodgame Studios**") and in October of the same year it acquired Imperia Online JSC ("**Imperia Online**"). In the same month Babil Games launched the Arab Gamers' League.

In November 2018, the Company redeemed its first corporate bond loan and issued a new corporate bond loan in an amount of SEK 600 million under a framework of up to SEK 1 billion (the "**2018 Bonds**"). The 2018 Bonds have been admitted to trading on NASDAQ Stockholm.

In December 2018, the Company acquired Playa Games GmbH.

During 2019, the Company expanded its group management team and appointed several new key individuals to the team. During the summer of 2019 the Company acquired KIXEYE Inc., and its subsidiaries ("**KIXEYE**"). In connection with the acquisition of KIXEYE, the Company conducted a directed share issue of SEK 500 million to selected investors and issued the Initial Bonds. The Initial Bonds were admitted to trading on the Frankfurt Stock Exchange Open Market.

In January 2020, the Company conducted a direct share issue in order to finance the acquisition of Storm8, Inc ("**Storm8**") and strengthen future financial capacity. The acquisition closed in February 2020. In conjunction with this acquisition, the Company issued the Subsequent Bonds, and entered into a SEK 2.1 billion revolving and term loan facilities agreement with Swedbank AB (publ) and Nordea Bank Abp, filial i Sverige as original lenders with a term of three and a half years.

In April 2020, the Company acquired Candywriter, LLC ("**Candywriter**"). The acquisition closed on 29 April 2020.

In June 2020, the board of directors of the Company resolved, based on the authorization granted by the Annual General Meeting in the Company held on 14 May 2020, to carry out a directed share issue of 1,558,441 shares, corresponding to SEK 1.2 billion, through an accelerated bookbuilding procedure in order to provide the Company further financial strength and flexibility to be able to act swiftly on potential future acquisitions and growth opportunities and further to diversify the shareholder base among Swedish and international institutional investors. The directed share issue was resolved on 16 June 2020 and is expected to be finally settled on 22 June 2020.

Business

General

The Group is an independent creator, publisher and distributor of online games, with a vision to become a leading powerhouse of free-to-play gaming studios.

Platforms

The Group is mainly active on and primarily manage games on two platforms: online/browser and mobile. During the twelve-month period ended 31 December 2019, online/browser games accounted for approximately 44 per cent. of the Group's business, and mobile games for approximately 56 per cent. of the Group's business.

- **Online/Browser.** Online/Browser games are games played directly through an internet browser. These games do not have to be downloaded or purchased in physical copies, and can therefore be consumed anywhere with access to Internet. Browser games are often so called "free-to-play" games, meaning that no payment is required when starting to play the game. However, payment is often required to unlock certain parts of the game or to gain specific advantages. In this way, games with a longer life cycle can provide the developer with longer-term revenue streams.
- **Mobile.** Mobile games are developed for smartphones and tablets. Mobile games have historically often been so called "casual games" with a simplistic gaming character, short playing times at each playing occasion and low degree of player involvement. As mobile devices are now becoming more powerful, more advanced games are suitable for mobile with higher gamer immersion and lifetime. Thus the gaming experience and the revenue potential for online games on the mobile have increased.

Business Model

The Company's current subsidiaries apply three different business models:

① **Proprietary development and publishing** (Bytro, Power Challenge, Dorado Games, eRepublik, Goodgame Studios, Imperia Online, KIXEYE, OFM Studios, Playa Games, Simutronics, Storm8 and Candywriter).

Game development is internally financed, which enables retained intellectual property rights ("IPR") ownership and large upside potential. The upfront investment risk is mitigated with the use of game engines, as the investment per game becomes smaller for every new game released on the same game. The revenue model is free to play with monetising through in-game purchases.

② **Partnership development and publishing** (Coldwood)

Development and publishing are carried out in collaboration with a global publisher such as Sony or EA, who obtains the IPR ownership of the game but finances the development, marketing and distribution. The absence of up-front investment in development, marketing and distribution reduces the Group's risk while the loss of IPR ownership limits the upside. The revenue model is contracting fees with royalty participation on sold copies.

③ **Adaptation and publishing** (Babil Games)

Adaptation and publishing do not entail development of games but localised adaptation of games from external developers to meet the requirements of a certain market. The adaptations relate to language, graphics and in

some cases also to adding social functions. Revenues are generated through a free-to-play model with in game purchase options.

Studios

The Group operates through fourteen de-centralised studios: The studios are Bytro Labs, Goodgame Studios, Playa Games and OFM Studios in Germany, Coldwood Interactive and Power Challenge in Sweden, Dorado Games in Malta, KIXEYE in Canada, Simutronics, Storm8 and Candywriter in the United States, Babil Games in UAE and Jordan, eRepublik Labs in Ireland and Romania, and Imperia Online JSC in Bulgaria. The Group's games are distributed globally, although its main target markets include the United Kingdom, Germany, the United States, MENA and France.

- **Babil Games** focuses on adapting and publishing mobile games for the MENA market. It adapts games from external – mainly Chinese – developers to the specific requirements of the MENA market, including adapting language, graphics and in some cases adding social functions. Revenues are generated through a free-to-play model with in game purchase options.
- **Bytro Labs** develops and publishes mobile and browser-based war strategy games, earning revenue through a free-to-play model with in game purchase options.
- **Candywriter** develops and publishes mobile casual and mash-up games, generates revenue primarily from in-game advertising and in-game purchases.
- **Coldwood Interactive** is a game studio currently developing games on a contractual basis and has a long history of console games. Coldwood generally earns revenues by way of contracting fees during game development and royalties on each sold copy of a game.
- **Dorado Games** develops and publishes browser-based strategy games, earning revenue through a free-to-play model with in game purchase options.
- **eRepublik Labs** develops mobile and browser-based strategy games, earning revenue through a free-to-play model with in game purchase options.
- **Goodgame Studios** develops mobile and browser-based strategy games, earning revenue through a free-to-play model with in game purchase options.
- **Imperia Online** develops mobile and browser-based strategy games, earning revenue through a free-to-play model with in-game purchase options.
- **KIXEYE** creates, develops and publishes massively multiplayer online real-time strategy games for PC and mobile devices and is earning revenue through a free-to-play model with in game purchase options.
- **OFM Studios** develops and publishes mobile and browser-based social sports management games, earning revenue through a free-to-play model with in game purchase options.
- **Playa Games** is active in browser-based and mobile games and is earning revenue through a free-to-play model with in game purchase options.
- **Power Challenge** develops and publishes mobile and browser-based social sports management games, earning revenue through a free-to-play model with in game purchase options.
- **Simutronics** develops advanced mobile games, earning revenue through a free-to-play model with in game purchase options, and develops and publishes browser based strategy games.
- **Storm8** develops and publishes mobile mash-up games, generates revenue primarily from in-game sale of virtual goods and from online advertising.

Games portfolio

The Group has a well-diversified games portfolio across a range of genres and platforms. Key game titles of the Group include:

- **Battle Pirates**, a massively multiplayer real-time strategy game with PvP synchronous combat, released in 2011;
- **BitLife**, a mobile simulation / role playing game released in 2018;
- **Call of War**, a browser-based World War II strategy game launched in 2015;
- **Conflict of Nations: Modern War**, a browser-based strategy game set in a contemporary scenario launched in 2017;
- **eRepublik**, a browser-based massively multiplayer online game launched in 2008;
- **Gemstone IV and Dragonrealms**, browser-based fantasy games originally launched in 1987 and 1996, respectively;
- **Goodgame: BIG FARM**, an online farming strategy game for browser launched in 2012;
- **Goodgame: BIG FARM: Mobile Harvest**, an online farming strategy game for mobile launched in 2017;
- **Goodgame: EMPIRE**, an online strategy game for browser launched in 2011;
- **Goodgame: EMPIRE: Four Kingdoms**, an online strategy game for browser launched in 2013;
- **Home Design Makeover**, a mobile casual mashup game released in 2018;
- **Imperia Online**, a browser-based massively multiplayer online real-time strategy game launched in 2005;
- **Letter Soup**, a mobile casual word game released in 2016;
- **ManagerZone Football & Hockey**, mobile and browser-based sports management games launched in 2001 and 2003, respectively;
- **Nida Harb III**, a mobile war strategy game launched in 2017;
- **Online Fussball Manager**, a sports management game launched in 2003;
- **Property Brothers Home Design**, a TV-IP based mobile casual mashup game released in 2019;
- **SHAKES & FIDGET**: a cartoon-style strategy game published on both browser and mobile platforms launched in 2009;
- **SIEGE: World War II**, a mobile war strategy game currently in soft launch;
- **Supremacy 1914**, a browser-based World War I strategy game launched in 2009;
- **Tank Storm**, a mobile war strategy game launched in 2015;
- **Unravel 1 & 2** (IPR owned by Electronic Arts Inc.) a puzzle/strategy platform game launched for console and PC in 2016 and Unravel II, launched June 2018;
- **Vega Conflict**, a real-time strategy game developed in April and gone beta in August 2013;

- **War and Peace: Civil War**, a mobile war strategy game launched in 2017;
- **War Commander**, an online multiplayer game released in 2010;
- **War Commander: Rogue Assault**, a mobile-based massively multiplayer real-time strategy game released in December 2016; and
- **World at War**, a mobile war strategy game launched in 2016.

The Group

The Group's organisational set-up is concentrated in the Company itself providing professional group management over the studios listed above. This management framework provides a professional structure to guide creativity in the entrepreneurial game-developing subsidiaries and to obtain inter-subsidiary synergies.

Professional Structure

The Company seeks to professionalise decision making relating to investments and operations in order to improve resource allocation. For example, the risk-to-reward profile of different investment opportunities are weighed against each other to select the most beneficial investment for the Group at a given point in time. In addition, group management may also be able to leverage its industry networks throughout the Group.

Guided Creativity

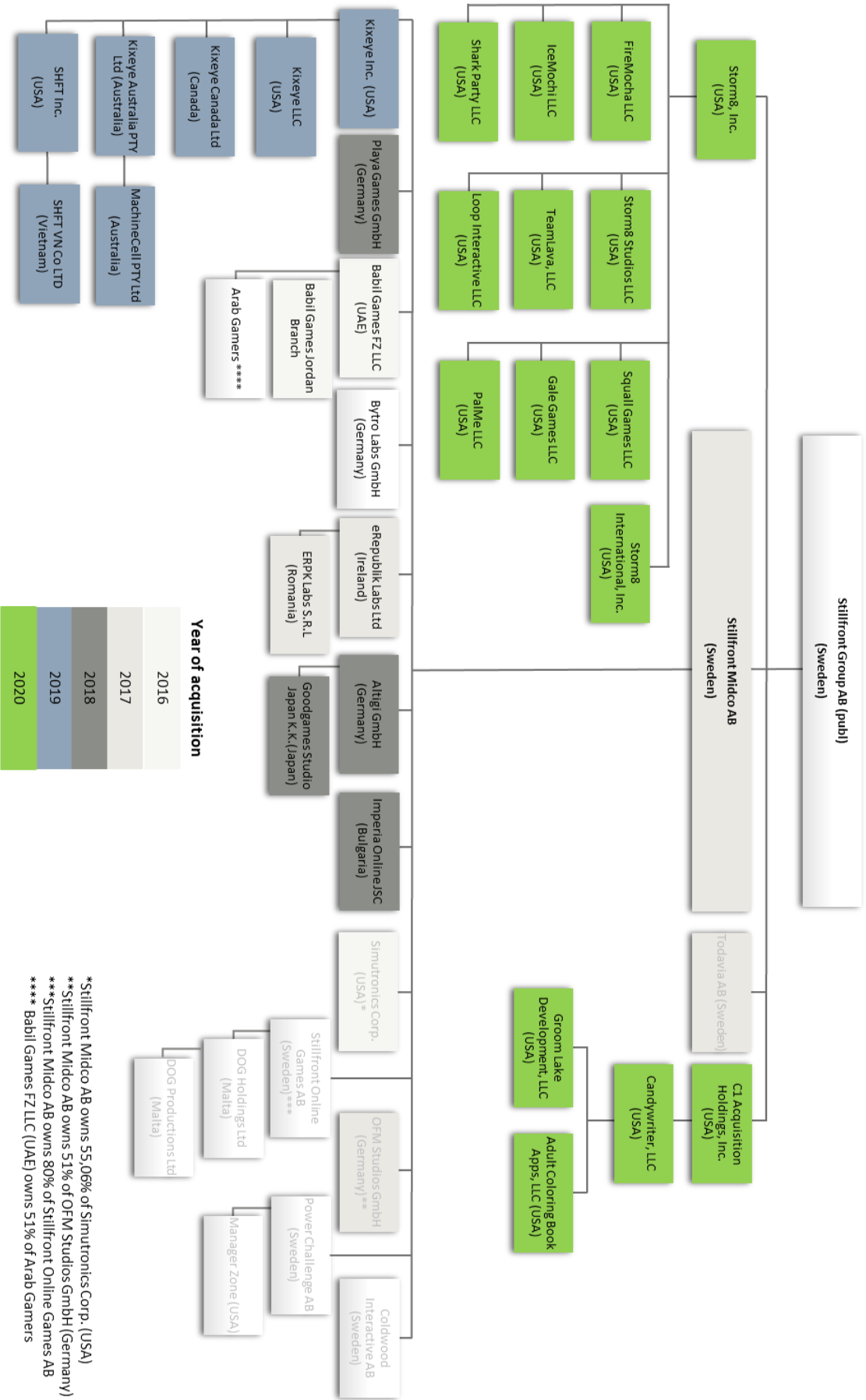
Group management applies a professional framework to improve resource allocation and to centralise administrative functions across the Group, leaving entrepreneurs and game developers free to originate, conceptualise and develop games.

Synergies

The central management of the Group creates cost and, in particular, revenue synergies through for example centralised overhead procurement. Furthermore, the Group can benefit from expertise which create synergies between games and between subsidiaries, as well as knowledge-sharing synergies between subsidiaries, the Group has also developed several centre of excellences that provides expert knowledge around different areas such as marketing, Liveops and other areas where expert knowledge is applied across many studios.

Group Structure

Set forth below are the most important subsidiaries in the Group as well as the ownership structure as regards such subsidiaries. All subsidiaries set forth below are directly or indirectly wholly-owned by the Group, unless otherwise indicated below.



*Stillfront Midco AB owns 55,06% of Simutronics Corp. (USA)
**Stillfront Midco AB owns 51% of OFM Studios GmbH (Germany)
***Stillfront Midco AB owns 80% of Stillfront Online Games AB
**** Babil Games FZ LLC (UAE) owns 51% of Arab Gamers

The Company is the parent company of the Group and is mainly engaged in group-wide tasks such as providing financing and managerial services to the other subsidiaries within the Group as well as M&A activities. Stillfront Midco AB (“**Midco**”) is the holding company for the majority of the operational subsidiaries within the Group. Todavia AB is a subsidiary owned directly by the Company and has been formed for the sole purpose of holding any warrants issued by the Group.

Strategy

The Company acquires and develops game studios and promotes synergies between them for the purpose of creating a diversified portfolio of games. Most of our titles are long lifecycle with a loyal user base and stable revenues. The portfolio mix engenders strong cash flow and enables organic and acquired growth. The Company's studios design, produce and market long life-cycle free-to-play games. Free-to-play games enable us to develop games in an iterative fashion with a minor initial investment. The Company develop, test, iterate and optimize our games in close cooperation with our users. Free-to-play games allow the gamer access to the game without paying for it upfront. Some of the users are willing to make purchases, or pay for access to new content throughout the lifetime of the game. Recurring income, at a low cost, is driven by the ability to retain users over a longer period.

The Company's vision is to become the leading free-to-play powerhouse of gaming studios.

Product strategy (PLEX):

Focuses on:

- a well-diversified product portfolio (P)
- the Group's games should offer a long-term gaming experience (L)
- a technical structure based on proven game engines (E)
- providing games on several platforms cross platform (X)

Growth strategy (HiGS):

Focuses on:

- scalability (S)
- structure of organization (S)
- systematic M&A (S)

Marketing strategy (PuB):

Focuses on:

- publishing and brands (PuB).

Acquisition strategy

As regards future acquisitions, the Company remains as confident as ever in its screening process and post-acquisition strategies.

Synergies resulting from its acquisition strategy that the Group is currently benefiting from include cross promotion, true cross-platform development and asset sharing as well as a world-class centre of excellence for marketing and product development. Moreover, studios in the Group are collaborating to optimize performance marketing across studios and games, as well as sharing technical insights and methods. Of the fourteen studios in the Group, a majority of the studios are involved in intra-group activities, offering help, skills and experience where it is needed and forming closer ties between the studios.

The Company places great value in retaining and incentivizing management in acquired studios. Where the management are also sellers of the acquired studios, this is often achieved through the purchase price being paid partly with shares in the Company, as well as through earn-out structures, which may entitle to additional payment for multiple years following the acquisition.

Intellectual property

The Group owns a number of trademarks, copyrights, domain names, source code and other intellectual property rights, which are deemed to be material for its business. The Group also uses various software through licensing agreements.

The Company's strategy is to file for trademark registrations in relevant jurisdictions for all material game titles.

The Group mainly secures ownership and its right to use the intellectual property rights through registrations and by way of contractual undertakings.

Employees

As at the date of this Prospectus, there are in total approximately 750 employees in the Group, of which approximately 10 are employed by the Company.

Disputes, litigation, governmental or other legal proceedings

The Group is involved in disputes and other legal proceedings from time to time in the ordinary course of business, including in relation to minor claims mainly concerning alleged intellectual property rights infringement and opposition of trademarks.

As of the date of this Prospectus the Company is not involved in any governmental, legal or arbitration proceedings, and has not been for the last 12 months, which may have, or have had in the recent past, significant effects on the Company and the Group's financial position or profitability.

Recent Events

Acquisitions

In February 2020, the Company completed the acquisition of 100 per cent. of the shares in Storm8, Inc. The upfront consideration which was paid to the sellers of Storm8 amounted to USD 300 million, on a cash and debt free basis. Of the upfront consideration, USD 75 million was paid through 1,909,222 newly issued shares in the Company. Through the issue of the consideration shares, the founders of Storm8, collectively held approximately 6 per cent. of the outstanding shares and votes in the Company immediately following the registration of the consideration shares. The remainder of the consideration was funded by raising additional equity through directed share issues and with debt through traditional bank financing and the Subsequent Bond Issue. The sellers of Storm8 will also be entitled to an earn-out consideration of up to USD 100 million if certain EBIT levels for the financial year 2020 and 2021 are achieved, payable 75 percent in cash and 25 percent in newly issued shares in the Company. The number of shares that shall be issued to satisfy payment of 25 percent of each applicable earn-out payment will be based on the volume weighted average share price for the shares in the Company traded on Nasdaq First North Premier Growth Market for a period of ten trading days prior to

and the ten trading days including and following the Company's announcement of financial results for the applicable earn-out period.

In April 2020, the Company completed the acquisition of 100 per cent. of the shares in Candywriter, LLC. The upfront consideration which was paid to the sellers of Candywriter amounted to approx. USD 74.4 million, on a cash and debt free basis. Of the upfront consideration, USD 37.5 million was paid by way of set-off against transfer of 708,463 newly issued shares in the Company through a directed share issue to the sellers of Candywriter and the remaining approx. USD 36.9 million was paid in cash. Further, an earn-out consideration may be payable by the Company in an aggregate maximum total amount of USD 120.6 million on a cash and debt free basis, out of which 50% shall be paid in cash and 50% in newly issued shares in the Company. If eligible, the earn-out consideration will be payable annually following the approval of each of the audited annual reports for the financial years ending 31 December 2020, 2021 and 2022. The ultimate size of the yearly earn-out component will depend on the EBIT development of Candywriter for the relevant financial year. The total purchase price payable by the Company cannot exceed USD 195 million. The cash portion of the purchase price payable upon completion is intended to be financed by cash at hand and available credit facilities and the adjustment consideration (if any) as well as the cash portion of the earn-out consideration (if any) is intended to be financed through internal cash generation and available credit facilities. The subscription price for newly issued shares related to the earn-out consideration (if any) will be based upon the volume weighted average price of the shares in the Company traded on Nasdaq Firth North Premier Growth Market for a period of ten trading days prior to the Company's announcement of financial results for the applicable earn-out period and for purposes of determining the number of shares in the Company to be issued, the volume weighted average price of the shares in the Company in SEK shall be converted into USD at the average exchange rate between SEK and USD of the Swedish Central Bank (Sw. *Riksbanken*) published at <https://www.riksbank.se/en-gb/> during the ten day period set forth above.

Changes to management

In December 2019, the Company announced that Johanna Bergsten has been appointed general counsel and member of the Group's executive management team. She holds an LL.M from Uppsala University and was previously Senior Group Counsel at Evolution Gaming Group AB. Bergsten assumed her position on 7th January 2020.

In March 2020, the Chief Commercial Officer resigned, effective 1 June 2020 and he no longer forms part of the Company's executive management team.

In March 2020, Clayton Stark was appointed as Group CTO and member of the Group's executive management team. Clayton is currently CEO and Studio Head of the Company's subsidiary Kixeye and has extensive experience from the gaming industry.

COVID-19

During the first quarter of 2020, Covid-19 broke out globally. The Company is closely monitoring developments and is evaluating the extent to which this may affect the Group's operations in the short and long term. The Company is a decentralized organization with studios and professionals in several continents, with the majority located in Europe and North America. The Company has proactively taken a number of preventative measures to ensure the Group's operational continuity and curb the spread of the virus among its professionals. Among other things, all business trips and physical business meetings have been postponed and remote work is encouraged. The Company focuses on digital entertainment and has digital processes and procedures in place which makes it possible for our organization to function more or less as usual.

On 11 June 2020 the Company announced an update regarding the Group's business performance through April and May 2020 and commented on the impact on the Group's financial result that Covid-19 had during the same period. The Company has seen an accelerated gaming activity since the end of March 2020. The actions taken to prevent the spread of Covid-19, such as working from home and practicing social distancing, has had a positive impact on the global demand for digital entertainment, which has continued during April and May.

Other events

In the beginning of 2020, the shareholders of the Company decided that the Company should conduct two share issues without preferential subscription rights for the Company's shareholders as well as to carry out an issue of new shares paid by set-off of claims – the share issues have been subscribed for by certain institutional investors, Laureus Capital GmbH and the sellers of Storm8.

In June 2020, the board of directors of the Company resolved, based on the authorization granted by the Annual General Meeting in the Company held on 14 May 2020, to carry out a directed share issue of 1,558,441 shares, corresponding to SEK 1.2 billion, through an accelerated bookbuilding procedure in order to provide the Company further financial strength and flexibility to be able to act swiftly on potential future acquisitions and growth opportunities and further to diversify the shareholder base among Swedish and international institutional investors. The directed share issue was resolved on 16 June 2020 and is expected to be finally settled on 22 June 2020. For information about the share capital and ownership of the company, see subsection "Share Capital and Ownership Structure" below.

Share Capital and Ownership Structure

Pursuant to the articles of association of the Company, the share capital shall be not less than SEK 18,437,617.10 and not more than SEK 73,750,468.40 and the number of shares shall be not less than 26,339,453 and not more than 105,357,812. As of the date of this Prospectus, there are a total of 34,143,708 shares in the Company, all of which are ordinary shares. The share capital amounts to SEK 23,900,595.6. The shares are denominated in SEK. Since 8 December 2015, the Company's shares are traded on NASDAQ First North Stockholm (currently NASDAQ First North Premier Growth Market), with trading symbol SF and ISIN: SE0007704788. As at 31 December 2019, there were approximately 3,998 shareholders in the Company.

The Company's articles of association contain a CSD provision and the Company's shares are affiliated with Euroclear Sweden AB, which means that Euroclear Sweden AB administers the company's share register and registers the shares to owners. All shares grant equal entitlement to participate in the Company's profits and an equal share in any surplus arising on liquidation. The following table shows the principal shareholders of shares in the Company as at 31 May 2020:

Shareholder	Number of Shares	Proportion of Share Capital	Proportion of Voting Capital
Laureus Capital GmbH	4,453,069	13.67%	13.67%
Swedbank Robur Funds	3,054,706	9.38%	9.38%
SEB Funds	2,732,322	8.39%	8.39%
Handelsbanken Funds	2,439,995	7.49%	7.49%
First Swedish National Pension Fund (Sw. Första AP-Fonden)	1,322,288	4.06%	4.06%
Länsförsäkringar Funds	1,097,278	3.37%	3.37%
Avanza Pension	865,966	2.66%	2.66%
Man Hay Tam	815,506	2.50%	2.50%
Skandia Life Insurance	543,161	1.67%	1.67%
Team Kuma 2018 (GRAT)	481,288	1.48%	1.48%
Total:	17,805,579	54.65%	54.65%

The following table shows shares in the Company owned directly or indirectly by persons discharging managerial responsibilities of the Company as of 16 June 2020:

Shareholder	Number of Shares
-------------	------------------

Laureus Capital GmbH, Kai Wawrzinek	4,453,069
Plesner Capital Ltd, Jörgen Larsson	150,580
Alexis Bonte	101,062
Jan Samuelson	10,000
Andreas Uddman	2,750
Birgitta Henriksson	2,250
Erik Forsberg	1,500
Marina Andersson	155
Phillip Knust	0
Johanna Bergsten	0
Ulrika Viklund	0
Katarina Bonde	0
Sofia Wretman	0
Armin Busen	0
Clayton Stark	0
Total	4,721,360

Shareholders' agreements or control

As at the date of this Prospectus, there are no shareholders' agreements or other agreements, which could result in a change of control of the Company.

As far as the Company is aware, there are no direct or indirect significant ownership or control over the Company other than as disclosed in this Prospectus. Shareholders exercise their voting rights in accordance with the Swedish Companies Act. In order to prevent shareholders from abusing power due to the ownership structure and control of the company, the Issuer has adopted policies regarding related party transactions.

Related Party Transactions

The following transactions between the Company and related parties have been identified: Purchase and sales transactions with related parties are on market terms. Transactions between the Parent Company and subsidiaries are service and management fees. There are no purchases of goods and services from related parties.

Board of Directors, Management and Auditors

The Company's board of directors (the "Board") currently consists of six members. The Board and management of the Group can be contacted through the Company at its head office at Sveavägen 9, 111 57 Stockholm, Sweden, telephone number: +46 (0) 8 10 61 01. Information on the members of the Board and the senior management is set forth below.

Board of Directors of the Company

Jan Samuelson, Chairman of the Board

Born 1963. Chairman and board member since 2018.

Education: BA Finance, Stockholm School of Economics, LL.M. Master of Laws, Stockholm University.

Professional experience: Previously co-founder and senior partner Accent Equity Partners AB, SVP EF Travel at EF Education First, Management Consultant Carta Corporate Advisors AB, Management Consultant Indevo AB. Broad experience of board assignments, including audit committee work.

Other current material assignments: Sdiptech AB (publ) (chairman), Sdip Holdings AB (chairman), Business Partner Sweden AB (board member), Independia AB (board member), Independia Invest AB (board member), Saltå Kvarn Aktiebolag (board member) and EF-Gruppen AB (deputy director)

Katarina G. Bonde, Board Member

Born 1958. Board member since 2018.

Education: M.Sc. Physics and Mathematics, KTH Royal Institute of Technology, Mathematics and Social history, Salem College, North Carolina, Economics, Stockholm University.

Professional experience: CEO and Chair at UniSite Software, EVP Global Sales & Marketing, Captura Software Inc., Marketing Director at Dun & Bradstreet Software Inc., VP Sales and Marketing at Timeline Inc., Business Area Director at Cap Gemini Consulting. CEO Programator Industri AB. Broad experience from board work in listed and private companies in Sweden and USA.

Other current material assignments: Allihoopa AB (chairperson), FlatFrog Laboratories AB (chairperson), IMINT Image Intelligence AB (chairperson), Mentimeter AB (chairperson), Opus Group AB (chairperson), Propellerhead Intressenter AB (chairperson), Reason Studios Aktiebolag (chairperson), Mycronic AB (publ) (board member) and Ysäter AB (board member).

Erik Forsberg, Board Member

Born 1971. Board member since 2018.

Education: M.Sc. Business and Administration, Stockholm School of Economics.

Professional experience: CFO Intrum AB (publ), CFO Cision AB (publ) and Business Area CFO, Group Treasurer and Business Controller at EF Education.

Other current material assignments: Deltalite AB (board member), Kindred Group plc (board member), Collectia A/S (chairperson).

Birgitta Henriksson, Board Member

Born 1963. Board member since 2017.

Education: Bachelor's degree, Economics, Business Administration, Uppsala University.

Professional experience: Birgitta Henriksson has been a Partner with Brunswick Group. She has experience as the Head of Investor Relations and Corporate Communications, Carnegie Investment Bank, where she also worked in Investment Banking with IPOs and M&A advisory.

Other current material assignments: Sdiptech AB (publ) (board member), Partner as Fogel & Partners.

Ulrika Viklund, Board Member

Born 1981. Board member since 2017.

Education: B Sc, Mittuniversitetet, Amsterdam University of Applied Sciences, Systems Development and Project Management.

Professional experience: Co-Founder and CEO of House Be. Co-Founder of Spira Globalt AB. General Manager Magine Consumer Group Global. CEO of "Plejmo". Director International Growth at Spotify.

Other current material assignments: Board member of God El i Sverige AB (board member), Idea2Innovation Sweden AB, Spira Globalt AB (board member and CEO), House Be i Åre AB (board member), House Be i Umeå AB (board member), E14 Invest AB (board member), Adgie Consulting AB (board member), Great Space Sweden AB (board member) and NorthWorx AB (board member).

Dr. Kai Wawrzinek, Board Member

Born 1976. Board member since 2019.

Education: Lawyer and Doctor of Law, Heidelberg University, Germany.

Professional experience: CEO and Founder of Goodgame Studios.

Other current material assignments: Managing Director of Laureus Capital GmbH.

Senior Management of the Group

Jörgen Larsson, Chief Executive Officer ("CEO")

Born 1964. CEO since October 2015.

Education and work experience: Master of Science in Industrial Engineering from Linköpings Tekniska Högskola and additional studies in physics and philosophy at Uppsala University. CEO of the Company since October 2015. Before being formally engaged as CEO, Jörgen Larsson performed work for Stillfront on a consultancy basis.

Other current material positions: Board member and Managing Director of Mind Improvement Group Scandinavia AB. Board member of Idecap AB, Sontagh & Larsson Investment Strategy AB. Deputy member of 4P Business Consulting AB and Sandhammaren Utveckling AB.

Maria Andersson, Head of mergers and acquisitions ("Head of M&A")

Born 1972. Head of M&A since 2019.

Education and work experience: Two Master degrees from Stockholm University and Russian Herzen State Pedagogical University. Marina Andersson has close to 20 years track record of investment banking and M&A. Former positions include Director at Deloitte's Corporate Finance Advisory team, Director at ICECAPITAL Securities, Associate Partner and Investment Manager at Deseven, M&A Analyst at Carnegie.

Other current material positions: Deputy director of Stillfront Midco AB, Coldwood Interactive AB, Stillfront Online Games AB and Power Challenge AB.

Alexis Bonte, Chief Operating Officer ("COO")

Born 1976. COO in company since 2019. With eRepublik since 2008, which was acquired by the Group in 2017.

Education and work experience: BA Honors Degree International Business & Languages, European Business School, London, Global Leadership and Public Policy, Harvard University, Transformational Leadership Program University of Oxford /Said Business School. Before co-founding eRepublik, Alexis Bonte worked for lastminute.com for six years, first as Head of Business development in UK, Marketing and Sales director in France and then as MD for Italy.

Other current material positions: Director of eRepublik Labs Ltd and ERPK Labs S.R.L.

Phillip Knust, Chief Product Officer ("CPO")

Born 1988. CPO since 2019. With Goodgame Studios since 2015, which was acquired by the Group in 2018.

Education and work experience: Data processing, EPS Lübeck, Computer Science, TH Lübeck. Philip Knust has previously worked as CPO of Goodgame Studios and is creative founder of EMPIRE and BIG brand.

Other current material positions: None.

Andreas Uddman, Chief Financial Officer ("CFO")

Born 1979. CFO since 2019.

Education and work experience: Chartered Management Accountant (ACMA), Master in Management, EADA Business school, M.A. in Politics from University of Glasgow. Andreas Uddman was previously CFO at Qliro Financial Services. Prior to this, he was CFO at Kinnevik-backed renewable energy player Vireo Energy. Former positions also include Finance and Business Development positions at Shell in London

Other current material positions: Board member of Stillfront Midco AB, Coldwood Interactive AB, Stillfront Online Games AB and Power Challenge AB.

Johanna Bergsten, General Counsel

Born 1983. General Counsel since 2020.

Education and work experience: LL.M. from Uppsala University. She was previously Senior Group Counsel at Evolution Gaming Group AB (publ) and has also been senior associate at Advokatfirman Cederquist AB and G Grönberg Advokatbyrå Aktieföretag.

Other current material positions: None.

Sofia Wretman, Head of Investor Relations and Communications ("Head of IR & Communications")

Born 1977. IR and Communications Director since October 2018.

Education and work experience: Master of Political Science and Economics from University of Stockholm. Sofia has previously been working as Senior Consultant for Hallvarsson & Halvarsson and as Global Head of Communications and Investor Relations at Alimak Hek Group.

Other current material positions: None.

Clayton Stark, Chief Technology Officer ("CTO")

Born 1969. CTO since 2020.

Education and work experience: Studied Mechanical Engineering at Camosun College. Mr. Stark is an experienced leader and technologist who joined KIXEYE eight years ago as head of studio for the Canadian office and was later appointed CTO and then CEO.

Other current material positions: Head of studio (Managing Director) of KIXEYE.

Conflicts of Interest within Administrative, Management and Control Bodies

Other than as set out below, there are no conflicts of interest between the duties of the board members or senior executives in respect of the Company and their private interests or other commitments.

Several members of the Board have certain financial interests in the Company as a consequence of the holdings, direct or indirect, of shares in the Company. While the Company recognises the potential conflicts, the Company does not believe that such appointments constitute an actual conflict of interest between such persons' duties to the Company.

Corporate Governance

The Company's corporate governance is governed by Swedish legislation and regulations such as the Swedish Companies Act (Sw. *Aktiebolagslag (2005:551)*), the Swedish Accounting Act (Sw. *Bokföringslag (1999:1078)*) and the Swedish Annual Reports Act (Sw. *Årsredovisningslag (1995:1554)*). The Company applies the First North Rulebook and the Swedish Corporate Governance Code (the "**Code**").

The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied in connection with the listing. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle").

The Company complies with the Code since June 2017. The latest governance report has been established by the Company's board of directors and was approved for publication on 21 April 2020. The report does not contain any deviations from the Code.

The corporate governance is exercised, *inter alia*, through the general meeting, the Board and the Managing Director. The Company's auditor, who is appointed by the annual general meeting, supervises the Company's accounts and the management of the Company by the Board and the Managing Director.

General meeting of the Shareholders

The shareholders' of the Company exercise their voting rights at the general meetings. The majority requirements in the Swedish Companies Act apply to the decision-making of the general meeting. Notice of a general meeting shall be given through an announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by way of being published on the Company's website. Simultaneously, through advertisement in the Swedish newspaper Svenska Dagbladet, information shall be provided that notice has been issued. To be

entitled to participate in a general meeting, shareholders shall, firstly, be registered in the transcript or other list reflecting the entire share register regarding the shareholdings five business days prior to the meeting and, secondly, notify the Company of their intention to attend the meeting not later than on the day stipulated in the notice convening the general meeting.

Board of Directors

The Board primary responsibility is to safeguard the Company's and the shareholders' interests. The Board is responsible for the Company's organisation and the management of the Company's affair. The Board is also responsible to ensure that the Group has an appropriate corporate structure in order for the Board to practice its shareholder responsibility in the best possible manner over the subsidiaries and associated companies in the Group. The Board is responsible to ensure that the Company complies with applicable laws and regulations, the articles of association and the Code.

The Board shall regularly assess the Company's and the Group's financial position and ensure that the Company is organised so that the accounting, the management of funds and the Company's finances in general are monitored in a satisfactory manner.

The Board holds meetings four times each year, or when there is otherwise reason to hold a meeting. The Board has adopted rules of procedure to govern its work. Two committees have been appointed: the audit committee and the remuneration committee. The Board has furthermore adopted instructions for the reporting in the company and instructions for the Managing Director. The Board has furthermore adopted an insider policy and information policy which are applicable to all board members, members of management and employees within the Group.

CEO and Executive Management

The Managing Director is appointed by the Board and shall abide by the instructions adopted by the Board. The Managing Director is responsible for the Company's day-to day management, which includes managing all operational aspects of the Company's business in accordance with the business plan, principles and instructions adopted by the Board. The managing director is furthermore responsible for the preparation and presentation of matters to be addressed by the Board, as well as for the execution of decisions made by the Board. Jörgen Larsson is the Chief Executive Officer of the company and has been employed since October 2015. Before he was appointed as the Managing Director and employed by the Company, he acted as Managing Director on a consultancy basis.

During 2019/2020, the Company expanded its group management team and appointed several new key individuals to the team. In addition to the chief executive officer, the Executive Management of the Group now consists of: the chief financial officer, Andreas Uddman; the head of M&A, Marina Andersson; the chief operating officer, Alexis Bonte; the chief technology officer, Clayton Stark; the chief product officer, Philip Knust; the general counsel, Johanna Bergsten; and the head of investor relations and communication, Sofia Wretman.

Committees

Three committees have been appointed: the audit committee, the remuneration committee and the nomination committee.

Audit Committee

The audit committee shall support the Board in monitoring that the Company and the Group is organised and managed in such a way that its accounts in all material aspects are controlled in a satisfactory manner in accordance with external laws and regulations and internal rules, focusing on the Company's financial reporting and the internal control over such reporting. The audit committee consists of Erik Forsberg (chairman) and Birgitta Henriksson. The audit committee fulfils the tasks of an audit committee as set out in the Swedish Companies Act and the board's instructions to the audit committee.

Remuneration Committee

The remuneration committee's main tasks are to prepare the board's decisions on issues concerning principles for compensations and other terms of employment for the Company's CEO and other executives, monitor and evaluate programs for variable compensation, both ongoing and those that have ended during the year, for the executive management. The remuneration committee consists of Jan Samuelson (chairman) and Katarina Bonde. The remuneration committee fulfils the tasks of a remuneration committee as set out in the Swedish corporate governance code and the board's instructions to the remuneration committee.

Nomination Committee

The nomination committee is a shareholders' committee responsible for nominating the chair for the annual general meeting, preparing proposal regarding number and candidates of members of the Board, including chair of the Board and a proposal for remuneration to the chair and other members of the Board not employed by the Company, as well as preparing a proposal for remuneration for board committee work. Further, the nomination committee is responsible for nominating the auditor of the Company including proposing the remuneration for such auditor. The nomination committee annually evaluates the work of the Board.

The nomination committee shall, prior to the 2020 annual general meeting, be composed of representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden AB as of 30 September 2019 together with the chairman of the Board. The nomination committee has been appointed for the annual shareholders' meeting to be held in 2020 and comprises of the following members:

- Niklas Johansson, Chairman of the Nomination Committee (appointed by Handelsbanken Funds)
- Kai Wawrzinek (appointed by Laureus Capital GmbH)
- Ossian Ekdahl (appointed by First Swedish National Pension Fund (Sw. Första AP-Fonden))
- Jan Samuelson, Chairman of Stillfront Group

Historical Financial Information

Documents Incorporated by Reference

The following documents are incorporated into this Prospectus by reference:

- the following sections of the Group’s annual financial statements for the financial year ended 31 December 2018 (the “**2018 Annual Report**”):
 - consolidated statement of comprehensive income, page 61;
 - consolidated statement of financial position, pages 62 to 63;
 - consolidated statement of changes in equity, page 64;
 - consolidated cash flow statement, page 65;
 - notes, pages 71 to 113; and
 - the independent auditor’s report, pages 114 to 118.
 - the following sections of the Group’s annual financial statements for the financial year ended 31 December 2019 (the “**2019 Annual Report**” and together with the 2018 Annual Report the “**Annual Reports**”):
 - consolidated statement of comprehensive income, page 53;
 - consolidated statement of financial position, pages 54-55;
 - consolidated statement of changes in equity, page 56;
 - consolidated cash flow statement, page 57;
 - notes, pages 63-107; and
 - the independent auditor’s report, pages 109-117.
- the following sections of the Group’s quarterly interim report for the first quarter ended 31 March 2020;
- consolidated income statement in summary, page 10;
 - consolidated balance sheet in summary, page 11;
 - consolidated statement of shareholders’ equity, page 12; and
 - consolidated cashflow in summary, page 13.

The documents incorporated by reference are to be read as part of this Prospectus. All such reports are available on the Company’s website (<https://www.stillfront.com/en/reports-presentations/>) and can also be obtained from the Company in hard copy. Those sections of the reports referred to above which have not specifically been incorporated by reference are deemed to be either not relevant for an investor’s assessment of the Group or the Bonds, or are covered elsewhere in this Prospectus.

Preparation of Financial Information

The Annual Reports have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and the Swedish Annual Accounts Act. The Issuer’s financial statements are prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. IFRS 16 has been applied by the Issuer from 1 January 2019. Further, the accounting principles applied are consistent with the publication of the 2018 annual report. New standard adopted since 2018 have, apart from the new concepts and supplementary disclosures, not had a material impact on the financial position.

Other than the auditing of the Annual Reports, the Group’s auditors have not audited or reviewed any part of this Prospectus.

Auditing of the Annual Reports

The auditing of the Annual Reports was conducted in accordance with IFRS and the audit reports submitted were unqualified without other modifications. The 2018 Annual Report was audited by Mazars SET Revisionsbyrå AB (“**MAZARS**”) and the 2019 Annual Report was audited by Öhrlings PricewaterhouseCoopers AB (“**PwC**”).

At the annual shareholders' meeting held on 9 May 2019, PwC was elected as the Company's auditor for the period until the end of the annual shareholders' meeting in 2020. Nicklas Kullberg (born 1970) is the auditor in charge. Nicklas Kullberg is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). The office address of PwC is Torsgatan 21, 113 21 Stockholm.

Prior to Öhrlings PricewaterhouseCoopers AB’s appointment in 2019, MAZARS, with Michael Olsson as auditor in charge, was the Company's auditor. At the annual general meeting in 2018, Bengt Ekenberg, auditor at MAZARS, was elected as additional auditor. Michael Olsson and Bengt Ekenberg are authorized public accountants and members of FAR (professional institute for authorized public accountants). The office address of MAZARS is Jakobsgatan 6, 111 52 Stockholm. The reason for not re-electing the auditors in 2019 was that the Company proposed new auditors in preparation for a potential transfer of the Company’s share listing to the Main Market of NASDAQ Stockholm.

Age of the Most Recent Financial Information

The most recent audited financial information in respect of the Group has been taken from the annual report for financial year ended 31 December 2019, which was published on 23 April 2020.

Other Information

Clearing and Settlement

The Bonds amount in total to an aggregate nominal amount of SEK 1,000,000,000. The nominal amount of each Bond is SEK 1,250,000. The ISIN for the Bonds is SE0012728830.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB. No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear's book-entry system.

Representation of the Holders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Holders.

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

Other than as discussed under "*Recent Events*" on page 61:

- (i) there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2019;
- (ii) there has been no recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency since 31 December 2019;
- (iii) there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2019; and
- (iv) there has been no significant change in the financial performance of the Group since 31 March 2020.

Material Agreements

Except for the Terms and Conditions, the 2018 Bonds, the Facilities Agreement and the Hedging Agreements, neither the Issuer nor the Group has entered into any material agreements outside the ordinary course of its business which may affect the Issuer's or the Group's ability to fulfil its obligations under the Bonds.

The Facilities Agreement

The Issuer and Midco have entered into a SEK 2.1 billion revolving and term loan facilities agreement dated 21 January 2020 with Midco as borrower, the Issuer as parent and guarantor, Swedbank AB (publ) and Nordea Bank Abp, filial i Sverige as original lenders, hedge counterparties and arrangers and Swedbank AB (publ) as facility agent and security agent (the "**Facilities Agreement**"). The Facilities Agreement contains a SEK 1.6 billion revolving loan facility and a SEK 500 million term loan facility. The term loan facility has been cancelled and is no longer available for utilisation.

Each revolving loan under the revolving facility shall be repaid on the last day of its interest period or on the termination date, being 31 July 2023.

The Issuer has provided security for its and Midco's obligations under the Facilities Agreement in the form of a pledge over all shares in Midco and a joint and several guarantee as principal obligor (Sw. *proprieborgen*).

The Facilities Agreement contains a number of covenants which restrict the ability of the Issuer, Midco and other group companies, including, inter alia:

- a negative pledge, restricting the granting of security or to conduct transactions similar to security;
- restrictions on the incurrence of financial indebtedness;
- restrictions on the disposal of assets;
- restrictions on investments and acquisitions;
- restrictions on redemption and acquisition of own shares and dividends;
- restrictions on providing loans and guarantees;
- restrictions on issuance of shares;
- restrictions on mergers and de-mergers;
- restrictions on making any material changes to the general nature or scope of their business;
- restrictions relating to discontinuing and infringement of intellectual property; and
- certain reporting requirements.

In addition, Midco must comply with certain financial covenants.

Each of the above covenants is subject to significant exceptions and qualifications as set out in the Facilities Agreement.

In the event of a breach by the Issuer, Midco or any group company of any of the covenants in the Facilities Agreement, the lenders may have a right to terminate the loans provided under the Facilities Agreement, which implies that the loans are immediately due and payable by Midco and the Issuer.

Midco is moreover obliged to prepay all outstanding loans under the Facilities Agreement in full upon the occurrence of the following events:

- it becomes unlawful in any applicable jurisdiction for a lender to perform any of its obligations as contemplated by the Facilities Agreement or to fund or maintain any loan;
- upon the occurrence of a change of control; and
- upon the occurrence of a sanctions event.

A change of control event occurs under the Facilities Agreement if (i) the Issuer ceases to own or control, directly or indirectly, 100 per cent. of the shares and votes of Midco, (ii) one or more persons acting together acquire control over the Issuer, where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting share of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, (iii) there is a sale of all or substantially all of the assets or business of the Group, or (iv) if the shares in the Issuer cease to be listed on Nasdaq Stockholm.

Hedging Agreements

The Issuer and Midco have both entered into separate hedging agreements in respect of FX hedging transactions with Swedbank AB (publ) dated 21 January 2020 (the "**Hedging Agreements**"). The Hedging Agreements are based on ISDA 2002 Master Agreement form and are governed by English law.

Credit Rating

No credit rating has been assigned to the Issuer or any of its debt securities.

Hyperlinks

This Prospectus contains certain hyperlinks, all of which have been listed below:

- www.fi.se;
- www.stillfront.com;
- <https://www.stillfront.com/en/debt-investors/>;
- <https://www.stillfront.com/en/reports-presentations/>;
- <https://www.riksbank.se/en-gb/statistics/search-interest--exchange-rates/>;
- <https://www.riksbank.se>; and
- <https://www.riksbank.se/en-gb/>.

Please note that the information accessible by visiting each of the hyperlinks referred to above neither forms part of this Prospectus nor has it been reviewed and/or approved by the Swedish Financial Supervisory Authority.

Documents Available for Inspection

The following documents are available at <https://www.stillfront.com/en/debt-investors/> and at the Company's head office at Sveavägen 9, 111 57 Stockholm, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of the Prospectus:

- the Company's articles of association and certificate of registration;
- the Group's consolidated audited annual report and audit report for 2018 and 2019;
- the Terms and Conditions;
- this Prospectus; and
- the approval decision by the Swedish Financial Supervisory Authority relating to this Prospectus.

Certain Material Interests

Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) acted as joint bookrunners in respect of the Initial Bond Issue and Carnegie Investment Bank AB (publ), Swedbank AB (publ) and Nordea Bank Abp acted as joint bookrunners in respect of the Subsequent Bond Issue (together, the "**Joint Bookrunners**").

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

Listing Costs

The estimated costs of listing are expected not to be in excess of SEK 250,000.

Addresses

ISSUER

Stillfront Group AB (publ)

Sveavägen 9
SE-111 57 Stockholm
Sweden

AGENT

Intertrust (Sweden) AB

P.O. Box 162 85
SE-103 25 Stockholm
Sweden

ISSUING AGENT

Swedbank AB (publ)

Landsvägen 40
SE-172 63 Sundbyberg
Sweden

CENTRAL SECURITIES DEPOSITORY

Euroclear Sweden AB

P.O. Box 191
SE-101 23 Stockholm
Sweden

LEGAL COUNSEL

(to the Joint Bookrunners)

White & Case Advokat AB

Biblioteksgatan 12
SE-114 85 Stockholm
Sweden

(to the Issuer)

Advokatfirma DLA Piper Sweden KB

Kungsgatan 9
SE-103 90 Stockholm
Sweden