

This prospectus was approved by the Swedish Financial Supervisory Authority on 24 May 2021.

STILLFRONT

GROUP



Stillfront Group AB (publ)

**Prospectus regarding admission to trading of
SEK 1,500,000,000 senior unsecured floating rate bonds**

ISIN: SE0015961065

DNB Markets

Nordea

Swedbank 

Important information

In this prospectus, the “**Issuer**” means Stillfront Group AB (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). “**Stillfront**” means, depending on the context, the Issuer or the Group. The “**Joint Bookrunners**” means DNB Markets, a part of DNB Bank ASA, filial i Sverige, Nordea Bank Abp and Swedbank AB (publ). The “**Issuing Agent**” means Swedbank AB (publ). The “**Agent**” means Intertrust (Sweden) AB.

“**Euroclear Sweden**” refers to Euroclear Sweden AB. “**Nasdaq Stockholm**” refers, depending on the context, to the regulated market Nasdaq Stockholm or Nasdaq Stockholm AB. “**SEK**” refers to Swedish kronor, “**EUR**” refers to Euro and “**USD**” refers to U.S. dollars.

Words and expressions defined in the terms and conditions of the Bonds, which are included in this Prospectus on pages 46–79 (the “**Terms and Conditions**”), have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

Notice to investors

The Issuer has issued 1,200 senior unsecured floating rate bonds in the total nominal amount of SEK 1,500,000,000 (the “**Initial Bonds**”) on 19 May 2021 (the “**First Issue Date**”), each with a nominal amount of SEK 1,250,000. The Issuer may also issue subsequent bonds (the “**Subsequent Bonds**” and together with the Initial Bonds, the “**Bonds**”) pursuant to the Terms and Conditions. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,000,000,000, unless a consent from the Holders is obtained in accordance with the Terms and Conditions. This prospectus (the “**Prospectus**”) has been prepared for the admission to trading of the Initial Bonds on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.

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

This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Bond implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Prospectus Regulation.

Each potential investor in the Bonds must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- (a) 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;
- (b) 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 the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Forward-looking statements and market data

The Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer’s and the Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

Presentation of financial information

Certain financial and other information presented in this Prospectus has been rounded for the purpose of making this Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals. Unless otherwise stated, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor.

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RISK FACTORS

In this section, material risk factors are illustrated and discussed, including risks relating to the Group's business and industry, financial situation, strategy, legal and regulatory risks, risks related to internal control as well as risks relating to the Bonds. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus. The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factors may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

Risks related to the Group's business and industry

The continued success and growth of the Group's operations depends on its ability to continue to develop new games and to broaden its existing game offering

The Group's ability to increase revenue and profitability depends on its ability to continuously develop new games and to improve its existing games in a way that improves the gaming experience for both paying and non-paying players while encouraging players to purchase virtual items in the games. If the Group's current game development model ceases to be effective in creating or acquiring games that are appealing to both new and existing players, or in developing existing games in order to retain customers playing the existing game offering, it may have a negative effect on the Group's customer base. Accordingly, the Group will need to continuously adapt its game development model to evolving market demand in order for the Group to maintain its growth. If not as many users play and make in-game purchases, thus resulting in lower revenue for the Group, this could have a material negative impact on the Group's results of operations. There is a risk that the Group will not be able to continue to customise a sufficient number of games, if any, on its existing platforms in order to meet user demands, or successfully implement them into new platforms in order to generate the significant purchases of virtual items on which the Group's current strategy and economic growth are based.

The Group's ability to successfully develop new games and improve existing games as well as its ability to achieve commercial success are subject to a number of challenges, such as the need to constantly anticipate and adapt to the changes taking place in the gaming industry, especially within the mobile and social platforms; the ability to successfully compete against a large and growing number of industry players; the ability to develop and launch new game-related intellectual property rights and new games on time and within budget; the ability to develop new forms of play that increase player engagement and generate revenue; the ability to adapt to evolving player preferences; the ability to improve existing games by adding features that encourage continued player engagement in the game; the ability to hire and retain competent staff, including when the Group seeks to expand its development capabilities; the ability to achieve a positive return on advertising investments; the ability to achieve continued and successful organic growth; and the need to minimise and quickly manage bugs and interruptions in the games.

If the Group is unable to develop new games and improve its existing games, there is a risk that these games will generate lower revenues, which in turn may have a material negative impact on the Group's total net revenues, results of operations and intangible assets.

The Group must stay innovative and adapt to technological progress and consumer preferences and requirements

The Group's success depends on its ability to successfully innovate, develop and publish new games. In addition, the online gaming industry is driven by players' preferences and requirements. This means that game developers, publishers and operators must be able to continuously offer new products and services to attract and retain a wide range of end users. In order to operate in an industry characterised by the rapid emergence and development of new products, services, technologies and the development of player preferences, the Group needs to constantly stay innovative and adapt to the technological advances and preferences that arise on an ongoing basis. Widespread adaptation to new internet technologies and higher standards may require the Group to allocate significant funds to replace, upgrade, modify or adapt its existing game offering, which may have a material negative impact on the Group's short- and long-term operating expenses and earnings.

The Group uses a business model where it is free to play and relies on players who make optional in-game purchases, the value of virtual items sold and marketing made in the games

The majority of the Group's games are available free of charge to players, and the majority of revenue is generated from the sale of virtual items when players make voluntary in-game purchases. Users spend money in the Group's games based on the perceived value of the virtual items that the Group offers for purchase. The perceived value of these virtual items may be affected by various actions that the Group takes in the games, such as offering discounts, giving away virtual items in promotions, or providing simpler virtual items for free in order to promote continued gaming. If the Group fails to price virtual items in the games in line with player expectations or a normal price standard in the market, players may be less inclined to spend money and time in the games, thus resulting in lower revenues for the Group, which may have a material negative impact on the Group's net revenues and results of operations.

External third parties have developed, and may continue to develop, "cheats" or guides that allow players to advance in the Group's games or result in various types of malfunctions, which may reduce the demand for virtual items in the games. This risk is particularly high for the Group's games where players play against each other, since such "cheats" may allow players to gain unfair advantages to the detriment of those players who play fairly. In addition, such external third parties may attempt to mislead the Group's players with programs that generate false offers for virtual items or other in-game benefits. These scams may damage the players' experience, disrupt the economy of the games and reduce demand for virtual items, which could lead to increased costs in order to combat such activities, or decreased net revenues due to that players have a negative gaming experience and thereby become less likely to spend money in the games. This could have a material negative impact on the Group's reputation, net revenues and results of operations.

Risks related to identification for advertisers

Identification for Advertisers ("IDFA") is a random device identifier provided by Apple to a user's device. Advertisers, including the Group, use this to track data and identify a user (without disclosing personal information) so that they can deliver tailored advertising. The data can then be used to identify which features a user is using in the app. Accordingly, the Group is able to use data gathered through IDFA to obtain information about players' preferences and interests and thereby develop and adapt the games in a manner that is appealing to the Group's users, as well as implement targeted marketing measures. Android's corresponding IDFA feature is called GPS ADID (or Google Play Services ID for Android). A user has access to its IDFA or GPS ADID in their settings menu on the device and is thus able to choose to turn the feature on and off. Apple previously had the feature on as a default setting, but with the launch of iOS 14, users must explicitly allow IDFA to be used. If a large number of players choose not to activate the feature on their devices, the Group will not receive important data in order to design its marketing in an efficient and more precise manner based on user preferences, which may result in a reduced willingness for users to purchase virtual items in the games. This could have a material negative impact on the Group's ability to attract and retain existing customers, which in turn may affect its revenues.

Negative perception and publicity about the gaming industry as well as lack of confidence in the gaming industry and implementation of online payment systems and other transaction systems

The online gaming industry is exposed to publicity related to gaming behaviour, under-age gaming and lack of compliance, as well as standards established to promote responsible gaming. Negative perceptions and prejudices about the gaming industry can lead to the Group experiencing difficulties in attracting more or new users or that the Group's operations risk gaining a bad reputation, regardless of the type of games that the Group provides, which may result in revenue being less than expected. In addition, if a general perception develops that the online gaming industry is unable to address public concerns about gaming addiction, political pressure and public opinion could lead to increased regulation of the online gaming industry. Such new regulation may lead to significant costs for the Group to adapt its existing games or make adjustments in its development work in order to comply, which may have a material negative impact on the Group's operating expenses and profitability. It may also result in the Group being prohibited from providing any or all of its games in certain jurisdictions or the Group being delayed in its launch of new games due to required adaptation to new regulations, which may have a material negative impact on the Group's net revenues and results of operations.

Furthermore, the Group's operations depend on its players' confidence in, and the acceptance of, online payments and other transaction systems. Historically, players have been reluctant to consider internet payment methods as a safe and reliable way of transferring money. Although players have become more inclined to

making online payments and other online transfers, the general view may change direction and turn against such systems so that players again stop viewing online payments as a safe and reliable payment method. In the gaming segment where in-game purchases are most commonly made through online payments, the reluctance to use this payment method may have a material negative impact on the Group's revenues, as the Group is heavily dependent on revenue generated from such purchases.

Negative publicity and lack of confidence in the Group's games and products or payment methods among the Group's players risk making users less inclined to play the Group's games or buy in-game items and may reduce the Group's revenues.

Competition from other online game developers, console developers and other entertainment companies

The Group operates in a highly competitive industry. Generally, competition increases when new game developers, console developers, game publishers and gaming operators enter the gaming market or when current competitors expand their game offerings. The Group's focus is to provide high-quality entertainment, where also other entertainment companies are viewed as main competitors. Online gaming products and services are also sensitive to consumer trends and there is a risk that the Group's market share diminishes if competitors make improvements to or expands their product offering. Failure by the Group to effectively compete may result in the Group losing users or failing to attract new users of its gaming offerings.

Increased competition may also lead to lower margins and price pressure and that the Group, as a consequence, is forced to reduce the price of its products and services in order to retain its users and current market share. In addition, some competitors may offer a more attractive range of online games or complementary products and services than the Group, which may result in the Group having to develop or offer similar products and services or the Group losing its users. This may also result in the Group incurring increased development costs associated with the development of a specific type of product or service. If the Group fails to meet increased competition in a fast and efficient way, and develop new games and services that attract more users, there is a risk that the Group's revenues will decrease, which may have a material negative impact on the Group's net revenues, results of operations and profitability.

The Group is dependent on certain key employees and employees

The Group's operations are dependent on certain key employees, senior executives and persons with specialist competence, some of whom are founders of certain Group Companies. On average, approximately two to three persons in each subsidiary, approximately 55 persons in total within the Group, are considered key employees. These key employees typically have good relationships with market participants and a good understanding of the environment in which the Group operates. Consequently, these key employees are central to the successful development of the Group's operations. If any of these key employees terminate their employment with the Group or significantly change or reduce their involvement within the Group, there is a risk that the Group may not, within a reasonable time, be able to replace these persons or their services with other persons who may contribute equally to the Group's operations. The employment contracts for the Group's key employees typically include non-compete and non-solicitation clauses that are effective also following termination of their employment. However, such clauses are not enforceable in all countries where the Group operates. Accordingly, there is a risk that key employees may conduct competitive business following their departure from the Group.

In order to retain and attract new key employees and employees, the Group may need to incur significant costs for compensation to these persons in respect of salary, bonuses and other incentives. In addition, the Group's competitiveness in the markets in which the Group operates depends on its ability to retain and justify its existing workforce and to recruit employees with relevant industry knowledge. Failure to retain key employees or attract new talent could increase the Group's costs, as new employees may be more expensive and require on-boarding. In addition, there is a risk that failure to attract and retain new key employees may have a negative impact on the Group's net revenue growth, profitability and management function.

The Group uses open source software in its games that may subject the Group's software code to general publishing requirements or that may require the Group to redesign such code

The Group uses open source software in game development. Certain open source software licenses require developers who distribute open source software to disclose all or part of the source code of such software or provide open source derivatives on unfavourable terms or free of charge. The terms and conditions of various open source licenses have not been subject to court interpretation and there is a risk that such licenses may be interpreted in a way that entails unexpected consequences or limitations on the Group's ability to market the

games or that the Group inadvertently infringes on the intellectual property rights of other actors. In addition, there is a risk that outdated, and potentially unsafe, open source software is included in the Group's products. Although the Group monitors its use of open source software and continuously screens for outdated or unsafe software and ensures that open source software is used in a way that prevents the Group from disclosing its source code or otherwise violating the terms of an open source agreement, such use may inevitably occur. This may result in the Group being required to disclose its own source code, pay damages due to a breach of contract, reconstruct its games, suspend distribution of affected games should the redesign not be completed in a timely manner, or take other corrective actions that may divert resources from the Group's game development work in general. This may have a material negative impact on the Group's net revenues, results of operations and intangible assets.

A limited number of games and users currently account for a majority of the Group's revenues

The Group has a wide range of games in its portfolio. However, the Group is dependent on a relatively limited number of games that generate the majority of the Group's revenues and rely on the Group's ability to constantly develop and improve its game portfolio, especially games with high popularity.

In order to reduce the Group's reliance on a limited number of games, the Group must constantly improve, expand and upgrade its entire game portfolio with new features, offers and content that players find attractive. As a result, each of the Group's games requires significant product development, marketing and other resources. The Group's costs attributable to product development have on average increased over time for the Group. Moreover, even with these investments, the Group may experience sudden declines in the popularity of any of its games and fluctuations in the number of daily and monthly average users.

If customer payments from the Group's top games are lower than expected and the Group is unable to broaden its game portfolio or increase customer payments from such top games, the Group will not be able to maintain or increase its revenues, which may have a material negative impact on the Group's net revenues and profitability.

Furthermore, the revenue from free-to-play games usually relies on a small percentage of players who spend moderate to large amounts of money in games in order to receive special benefits, levels, access and other features, offers or content. The vast majority of users play for free or only occasionally spend money in the games. The Group sees a tendency that, out of all users who play the Group's games for any period, only a small percentage of the total number of users are paying users. A large proportion of the revenue therefore comes from a small subset of paying users. It is particularly important for the Group to retain as large a proportion of paying users as possible and to get these users to maintain or increase their spending levels, as many users do not generate revenue and each paying user does not generate as much revenue. There is a risk that the Group will not be able to retain paying users or that paying users will not maintain or increase their spending levels. There is also a risk that the Group may lose more paying users than the Group gains in the future, which could have a material negative impact on the Group's net revenues and profitability.

The Group continuously invests in new user acquisitions and monetisation strategies to convert users to paying users, retain existing paying users and maintain or increase spending levels for paying users. If the Group's investments in new user acquisitions and monetisation strategies do not produce the desired results, the Group may fail to attract, retain or monetise on users and may experience a decrease in the level of spending of existing paying users, which would result in lower revenues attributable to the Group's games and thereby risk having a material negative impact on the Group's operating expenses, net revenues, results of operations and profitability.

Delays in game development projects and in the launch of new games

Delays in or non-completion of planned and ongoing game development projects result in higher costs for the Group and may negatively affect the Group's cash flow, revenues and operating margins. Delays can occur both in internal projects and projects where an external partner manages the development. Completing a game development project may also require more resources than originally expected. This applies especially to internal projects where the Group normally accounts for the development cost, which may have a material negative impact on the Group's operating expenses and results of operations.

The Group may have inadequate intellectual property protection, be prevented from protecting its intellectual property rights and may risk infringing on third party intellectual property rights

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

In the early phase of the life cycle of the Group's games, the Group relies mainly on trademark protection through trademark registration as well as on registration of logos, copyright protection and domain name registrations. Some of the Group's trademarks and logos are not registered and/or pending trademark registration, and certain trademarks and logos can, for various reasons, not be registered as trademarks. There is a risk that the Group will not be able to complete registrations regarding such trademarks and logos and/or future trademarks or logos.

The Group is dependent on securing ownership or licensing rights of its intellectual property rights through agreements with employees, consultants and partners. Furthermore, the Group is dependent on knowledge and business secrets. The Group strives to achieve protection of its intellectual property rights, knowledge and business secrets by, for example, entering into agreements on the transfer of intellectual property rights to the Group and confidentiality agreements with employees, consultants and partners. However, this is not always the case and it is not possible to ensure full transfer of intellectual property rights or full protection against unauthorised distribution of information. There is a risk that competitors and other operators may gain access to sensitive information, which may lead to a decrease in the value of such information or that competitors use such information to their advantage to the detriment of the Group.

Although the Group's intellectual property rights are generally protected by copyright, such protection covers only the original literal expression of the Group's source code and not the concepts and ideas expressed by it. In the United States, copyright registration is required in order to bring a copyright infringement action. Furthermore, the Group's intellectual property rights are by their very nature not patentable. Consequently, other than protection through trademark registrations, copyright protection and domain name registrations, the Group's intellectual property rights enjoy limited legal protection. This may limit the Group's ability to bring an action and defend itself against intellectual property infringements.

The Group also faces the risk that the use and exploitation of its intellectual property rights, in particular rights related to its software, may infringe on the intellectual property rights of third parties. The costs of bringing or defending an intellectual property infringement action may be significant. A non-successful outcome of such dispute for the Group may result in the Group being forced to pay royalties or damages or the Group having to cease the use such intellectual property rights and/or incorporate such intellectual property. Furthermore, alleged infringements of intellectual property rights may result in the Group signing coexistence or settlement agreements regarding the use of intellectual property, which may limit the Group's use of intellectual property. If the Group is unable to effectively protect its intellectual property rights or if claims regarding an intangible infringement are directed against the Group, it may have a material negative impact on the Group's operations, net revenues, intangible assets and results of operations.

The Group's operations depend on the security, integrity and operational performance of the systems, products and services it offers

The Group's product range consists exclusively of online games that depends on the security and good functioning of the internet connection through which players play the Group's games. Consequently, the Group's operations depend on the integrity, reliability and operational performance of IT systems as well as the internet itself. The operation of IT systems within the Group's operations and its suppliers or partners may be disrupted for reasons beyond the Group's control, such as damage caused by accidents, disruptions in the provision of tools or services, extreme weather events, safety problems, system failures or pollution. Furthermore, there may be technical challenges in launching new products and services that lead to temporary interruptions in the Group's systems, which means that players cannot play while the interruption is in progress. This may cause revenue streams to be halted during that time. Although the Group's operations are based on separate servers and platforms, which means that it is unlikely that a significant number of servers are affected by disruptions at the same time, disruptions or events related to a number of the most revenue-generating games could result in loss of players and thus reduced revenues as well as potential consumer complaints against the Group for interruptions, or otherwise adversely affect the Group's ability to sell products and services to its consumers. This can have a material negative impact on the Group's net revenues and profitability.

The Group and its consumers may be exposed to risks of hacking, viruses, malicious measures and other cybercrime

The Group's online gaming business is exposed to the risk of system intrusion, virus spread and other forms of IT crime or harmful behaviour by individual players or other actors. Such actions may interfere with websites, cause system failures and disruptions to the operations, and may harm computer equipment held by the Group or its consumers. The effect of such actions or the Group's failure to successfully protect itself against such attacks may have a material negative impact on the Group's operations, net revenues and results of operations.

If the Issuer fails to successfully protect the Group from such attacks, the effect of such actions may result in significant loss of revenue due to the affected games becoming unavailable to players while the Group remedies the disruption or damage. Furthermore, the Group possesses a large amount of personal data relating to its consumers that is protected in accordance with local regulations. If this information illegally falls into the hands of unauthorised parties, the Group may be subject to claims from customers and the regulatory authority and this may result in significant costs in the form of fines or measures necessary to restore the Group's system so that it becomes safe again. It may also lead to players losing confidence in the Group's systems and games, which in turn can lead to loss of users and thus reduced revenues. This may have a material negative impact on the Group's profitability, net revenues and results of operations.

The global economic outlook and the impact of the COVID-19 pandemic are affecting the global gaming industry

The Group operates in the online gaming market and is affected by the global economic trend, consumer trends and player preferences. During the first quarter of 2020, the COVID-19 pandemic broke out globally. The Issuer is closely monitoring developments and evaluating the extent to which the effect of the COVID-19 pandemic can affect the Group's operations in both the short and long term. The Group is a decentralised organisation with subsidiaries and employees in a number of countries, the majority located in Europe and North America. The Issuer has proactively taken a number of preventive measures to ensure the Group's operational continuity and limit the spread of the virus among its employees, for example by enabling distance working. There is, however, a risk that these measures are not effective and sufficient for employees to avoid the infection and if a majority of the Group's employees are infected and several employees are unable to carry out their work at the same time, it may have a negative impact on the Group's normal functionality and ability to generate future revenues. Although the Issuer focuses on digital entertainment and has digital processes in place to ensure that the Group's organisation operates more or less as usual, the Group's revenues are largely affected by players' disposable income and gaming activities. The COVID-19 pandemic and any mutations of the virus or other pandemics are considered to have a negative impact on the global economic outlook and any negative developments in the global economy may affect players' disposable income and the ability and willingness of the gaming industry to invest money in the Group's products, which may have a material negative impact on the Group's operations, net revenues and results of operations.

The Group's dependence on a few essential distributors

The Group's sales are largely made with the help of a few significant distributors, especially in the growing mobile application sector where the Group relies particularly on Google Play, App Store and Facebook to distribute its games. In 2020, approximately 74 per cent. of the Group's revenue was attributable to games distributed through Google Play and App Store. The distributors' range of digital distribution channels is crucial for the Group's monetisation from its mobile applications segment. If, for any reason, any of these material distributors were to close down its platform or restrict the Group's access to or terms of use of its platform, or suspends certain games from distribution through the platforms, this may result in revenue loss for the Group. It should be noted in this context that it is not uncommon for the standard terms of these significant distributors to include provisions on termination with a relatively short notice period which could mean that cooperation with such significant distributors may cease on short notice. In addition, the Group depends on the accuracy of the financial information provided by the distributors and is obliged to rely on the distributors' documentation when calculating the revenue reflecting a player's actual consumption. If interruptions in the access to one or several platforms or the restricted access to such platforms last for longer periods, of time or if the data obtained from distributors is materially incorrect to the effect that the Group has calculated its revenues incorrectly, it may have a material negative impact on the Group's net revenues and results of operations.

Risks related to insurance

The Group holds insurance cover that the Issuer deems customary for the Group's business activities. However, there is a risk that such insurance may not always cover all risks associated with the Group's business activities. For example, the insurance contains certain limitations such as deductibles and maximum compensation amounts. The Group may incur losses beyond such limitations or that are outside the scope of the insurance. Furthermore, an unintended failure to comply with policy requirements may result in claims not being reimbursed by the insurance company. There is a risk that an insurance is not available within a reasonable time or is not sufficient to fully compensate for any losses that may arise for the Group. Accordingly, there is a risk that, in the future, the Group will not be able to maintain its current level of insurance coverage, or may not receive insurance cover at all, and that the Group's premiums may increase significantly in relation to the protection held as of the date of this Prospectus. All insurance claims entail a risk of protracted disputes,

reputational damages, attorney's fees, costs and expenses and that management's focus is taken from the operations of the Group, which could have a material negative impact on the Group's operations, operating expenses, net revenues and results of operations.

Risk related to the Group's games being categorised as gambling or so called hazard games

Some of the Group's games allow players to purchase points, chips or other in-game benefits. The points or chips can be characterised as a type of virtual currency. However, none of the games allow players to sell or redeem such virtual currency. Furthermore, there are restrictions and prohibitions on transferring such virtual currency to other players in the terms of use of the games. In some jurisdictions, the sale of such virtual currency from the Group to the players is made through resellers. Since there is no way for players to withdraw money or transfer the currency or anything else of value out of the games, the Issuer assesses that the games do not constitute hazard games or gambling under current regulations in the jurisdictions in which the Group operates.

In some jurisdictions where the Group offers its games, the regulations on hazard games and gambling are not well-developed and to a certain extent unclear. This ambiguity and lack of developed rules may lead to that certain games offered by the Group are generally not characterised as hazard games or gambling being characterised as such. Moreover, there is abuse of the Group's games that may, among other things, manifest itself in incorrect claims for credit card refunds, shadow trading in virtual currency and/or player profiles/accounts as well as so-called "chip farming". Shadow trading in virtual currency can occur by a player or group of players knowingly losing to one or several other players and is a way by which players can sell virtual currency to each other. Furthermore, virtual currency trading may take place on the retail level where retailers distribute virtual currency. Chip farming, for example, can be used so that a number of players join forces to gain an advantage over other players, thereby increasing their own profits or some players creating a large number of accounts and collecting daily bonuses in all such accounts. This abuse can affect the authorities' view of the game's compliance and reduce the Group's revenue, as players perform transactions outside the games instead of within the games.

The Issuer has taken a number of measures to counteract the abuse listed above, including expressly prohibiting the conduct in the relevant subsidiaries' general terms and conditions applicable to players, as well as in the relevant subsidiaries' retailer agreements. In addition, the subsidiaries have implemented algorithms and processes to quickly detect and intervene against abuse.

The Issuer is not aware that the monetisation mechanisms in the Group's games are currently in violation of the legal frameworks within relevant jurisdictions. However, there is a risk that authorities within one or more jurisdictions make a different assessment or consider that the Group's anti-abuse measures are not sufficient. Should this be the case, it may result in certain games being banned or certain gaming features having to be removed and, in extreme cases, that income from such games may be forfeited and fines may be issued, which could have a material negative impact on the Group's operations, net revenues and profitability.

Furthermore, new rules, which may be applicable to the Group and could vary greatly between jurisdictions, may require certain game mechanics to be changed or removed from games, which could affect player engagement and monetisation from the games or otherwise damage the Group's business performance. It is difficult to predict how existing or new laws can be applied to these or similar game mechanics. In addition, the increased attention on liability issues due to lawsuits and bills may damage the Group's reputation or otherwise affect the growth of the Group's operations. The Issuer closely monitors the legal development in all jurisdictions in which the Group operates in order to avoid violations of applicable laws and regulations affecting the gaming sector, including consumer law aspects of different types of games.

The close monitoring of the interpretation and application of existing regulations, as well as new and changed regulations, in all jurisdictions in which the Group operates entails costs for legal advisors and internal control functions, and may lead to both reduced revenues and increased costs should an unforeseen adaptation of the games be required in order not to violate applicable regulations or as a result of the monetisation mechanism applied in the games not being considered lawful. Furthermore, the Group may incur unexpected costs if authorities impose fines on the Group due to the Group having made a different assessment and application of regulations. Accordingly, the aforementioned risks having a material negative impact on the Group's operations, operating expenses and results of operations.

Risks relating to the Group's financial situation

Risks related to currency fluctuations

The Issuer's accounting currency is SEK. However, through its subsidiaries, the Issuer operates in several different countries and has consumers on a global level. The majority of the Issuer's costs are in EUR and USD, while revenues are also generated in a number of other currencies. The Group is therefore exposed to currency risks.

For the full year 2020, the Company reported negative exchange rate effects on the Group's net revenues of SEK -45 million compared to 2019. For the full year 2020, the Issuer reported negative exchange rate differences of SEK 1,081 million attributable to the translation of net assets in subsidiaries. This exchange rate difference was recognised as equity.

Currency risk arises from transaction exposure (i.e. exchange rate risk associated with time delay between entering into an acquisition agreement and completing the acquisition as well as exchange rate risk related to deposits and disbursements in different currencies) as well as translation exposure (i.e. when in particular the income of the subsidiaries, but also assets and liabilities in foreign currency, are to be converted into the Issuer's accounting currency in SEK).

The translation effect that may arise from the conversion of the subsidiaries' results into SEK may have a material negative impact on the Issuer's revenues and results of operations and affect the Issuer's future cash flow and market value. The translation effect that may arise when the subsidiaries' net assets are converted from the respective foreign currency into SEK may have a material negative impact on the Issuer's equity. In particular, transaction exposure could have a material negative impact on the Group's results of operations.

If the EUR exchange rate had been 5 per cent. lower versus the SEK, with all other variables constant, it would have negatively impacted net profits by SEK 32 million and equity by SEK 168 million, respectively, in 2020. If the USD exchange rate had been 5 per cent. lower versus the SEK, with all other variables constant, it would have negatively impacted net profits by SEK 42 million and equity by SEK 174 million, respectively, in 2020.

Financing risks

To the extent that cash flow generated by the Group is not sufficient, the Issuer is dependent on external financing in order to carry out acquisitions and conduct game development. There is a risk that the Issuer will not be able to obtain financing on acceptable terms or on terms that allow the Issuer to implement its strategy and acquisitions including any additional consideration in relation to completed acquisitions. This may cause the Group's non-organic growth to stagnate or fail to materialise or result in the Issuer not having sufficient financial resources to conduct the business in the desired manner, which may have a material negative impact on the Group's net revenue growth and results of operations.

If the Group violates its obligations under the terms and conditions of the Issuer's outstanding bonds, bondholders may have the right to request that the bonds be redeemed prematurely. Furthermore, the terms and conditions allow bondholders to request, under certain conditions, that all, but not some only, of the bonds held by them be repurchased at a price per bond amounting to 101 per cent. of the outstanding nominal amount together with accrued but unpaid interest. The right to early redemption arises, for example, if there is a change in control of the Issuer such that a person or group of persons acting by mutual consent acquires control, directly or indirectly, of more than 50 per cent. of the votes in the Issuer or the right to, directly or indirectly, appoint or dismiss all or a majority of the board members in the Issuer. If the right to redemption or repurchase arises, and one or more bondholders exercise that right, it may have a material negative impact on the Group's operations, results of operations and financial position. Should the Issuer need to refinance the bonds at the maturity date of the bonds or for any other reason, including early redemptions or repurchases, there is a risk that the Issuer cannot obtain financing on favourable terms or at all, which may have a material negative impact on the Group's financial position and results of operations.

Risks related to the valuation of goodwill

Goodwill represents the difference between the purchase price for acquisitions and the fair value of acquired assets, liabilities assumed and contingent liabilities. Goodwill constitutes a significant proportion of the Group's balance sheet assets. As of 31 March 2021, the Group's goodwill amounted to SEK 10,365 million. Goodwill is recognized as an intangible asset and is subject to an impairment review, at least annually or upon indication of impairment. There is a risk that changes in circumstances affecting the Group's operations and general financial situation, or of the many factors that the Group takes into account in its assessments, assumptions and estimates

in connection with the impairment testing of goodwill, may in the future require the Issuer to write down goodwill, in whole or in part.

If the Issuer makes an impairment loss on goodwill, it affects the Group's balance sheet by reducing the value of intangible fixed assets. Such impairment would also be recognised as an expense (impairment of intangible fixed assets) in the Group's income statement. Any significant impairment loss may thus have a material negative impact on the Issuer's results of operations and financial position.

Risks related to capitalised game development expenses

The Group capitalises its product development costs in accordance with IFRS. As of 31 March 2021, the Group's capitalised gaming development expenses amounted to SEK 1,971 million. The Group continuously invests in game development and there is a risk that one or more game development projects cannot be commercialised, do not meet set legal requirements or other requirements, or otherwise do not meet the Group's or the market's demands. If, for any reason, the Group fails to develop or commercialise its games after incurring development costs, this may result in significant write-downs. If the Group makes an impairment loss on capitalised costs for game development, it affects the Group's balance sheet by lowering balanced development expenses. Such impairment would also be recognised as an expense (impairment of intangible fixed assets) in the Group's income statement. Any significant impairment loss may thus have a material negative impact on the Issuer's results of operations and financial position.

Interest rate risks

Interest rate risk refers to the risk of higher interest costs due to changes in market interest rates, in particular STIBOR, EURIBOR and USD LIBOR. The Issuer is exposed to interest rate risks through its outstanding bonds and revolving credit facility. The bonds carry interest determined on the basis of a floating rate, where the interest rate is affected by changes in market interest rates and STIBOR in particular. The revolving credit facility carries interest determined on the basis of a floating rate, where the interest rate is particularly affected by EURIBOR and USD LIBOR. In 2020, the Group had outstanding bonds of SEK 1,600 million and outstanding debt under its revolving credit facility of SEK 1,216 million. The coupon rate of the outstanding bonds is calculated based on STIBOR. As of 31 December 2020, an increase of 2 per cent. in STIBOR, EURIBOR and USD LIBOR would have negatively affected the Group's profits by SEK 32 million, SEK 12 million and SEK 12 million per year, respectively.

Credit risk

Credit risk refers to the risk that the Group's counterparties will not fulfil their financial obligations to the Group on time or at all. The Group's main credit risk stems from subsidiaries' accounts receivable and contractual assets with mainly stable and reputable counterparties such as Apple, Google and PayPal. The Group's maximum credit exposure is set out in the below table.

SEK million	31 December 2020	31 December 2019
Accounts receivable	270	150
Contract assets (accrued income)	17	41
Other receivables	109	54
Bank balances	1,005	342
Total	1,401	587

If any of the aforementioned counterparties are unable to fulfil their obligations to the Issuer or any of its subsidiaries on time or at all, the Group may not receive cash and cash equivalents as planned, or at all, which in turn may affect the Group's liquidity and results of operations.

Risks related to liabilities to pay earn-out considerations

The Group is exposed to a risk regarding the earn-out considerations related to some of the Group's completed acquisitions. As of the date of this Prospectus, the Issuer is obliged to pay additional consideration for most of the acquisitions covered by the financial historical information. The calculation of the earn-out considerations is based on the financial results of the acquired companies. If maximum earn-outs need to be paid, this may cause the Issuer's liquidity to at times become strained or lead to the Issuer having to take out additional bank loans and

thereby incur a higher interest expense. Higher earn-out payments may thus have a material negative impact on the Group's liquidity, cash flows and indebtedness.

Risks related to the Issuer's strategy

The Group may have carried out or may come to carry out acquisitions, investments, establishments or divestments that do not lead to the expected favourable effect on the Group's business activities

As part of the Group's strategy, the Group has previously carried out, will explore opportunities for and may in the future carry out acquisitions, establishments, investments and divestments that may not be completed or, if completed, do not turn out to be beneficial for the Group. In addition, there is a risk that the Issuer will not be able to identify suitable acquisitions or carry out acquisitions, investments or divestments on acceptable terms, obtain necessary permits or regulatory approvals (e.g. from competition authorities) due to restrictions in the Issuer's financing agreements. This may result in the Issuer not being able to achieve set growth targets in accordance with its strategy.

Carrying out acquisitions, establishments, investments and divestments is often a comprehensive and complex process that entails costs for legal, financial and other advisors as well as costs related to, for example, financing. A significant part of such costs is charged to the Issuer even if an acquisition, investment or divestment is not completed or if a new establishment does not prove successful.

Furthermore, there is a risk that the Group will not be able to complete an initiated transaction or is unable to integrate and manage the acquired business in an effective manner, anticipate expected liabilities or achieve expected cost-savings and synergies. In addition, an acquisition process, regardless of whether the transaction has been completed or not, means that management's attention is taken from the day-to-day management of the Group's operations to temporarily focus on the relevant transaction, which risks affecting the Issuer's other operations during the acquisition processes.

In addition to the above, calculations of the purchase price and earn-out consideration to the sellers of the acquisition object are based on future results attributable to the relevant target. Underestimation of such results may result in greater cash payments than the Issuer could have anticipated at the time of the acquisition.

In addition, an acquisition is associated with risks related to the acquired company. Within the framework of the Issuer's acquisition process, the Issuer combines the due diligence of acquired companies with a – negotiated – more or less comprehensive warranty catalogue. Deficiencies or similar identified in the course of the due diligence are usually addressed through price reductions and/or specific indemnity commitments. Unknowns, about which neither the seller(s) nor the buyer have actual knowledge, are handled by warranties. Where deemed appropriate, the Issuer strives to take out M&A insurance to insure liability for the guarantees of one or more insurers. Although the Issuer normally strives to take out M&A insurance, the seller(s) is/are typically responsible for any indemnity and other liabilities and in some cases for uninsured risks. The Issuer thus faces a risk that counterparties in the acquisition agreements will experience financial difficulties, which may affect the Group's ability to receive compensation for any claims that arise due to the counterparty's possible breach of contract in the relevant transaction. Furthermore, there is a risk that potential risks or deficiencies, such as tax risks, customer losses, disputes, complaints, compliance deficiencies or unexpected expenses have not been detected through the due diligence process carried out prior to the acquisition or that full protection against such deficiencies and risks cannot be obtained through the acquisition agreement even if they have been detected.

Establishments within the Group's various business areas require significant investments, the profitability of which depends on the new establishment being successful. This, in turn, relies on the new establishment attracting a sufficient number of customers and users and that the required investment does not incur higher than expected costs for the Issuer. If the Issuer's calculation of the costs associated with the establishment or its assessment of customer interest prove to be incorrect and the profitability of the establishment is thus absent or significantly lower, and in the event that the establishment results in higher or more extended operating deficits than expected, these factors may have a material negative impact on the Group's operations, net revenues and results of operations.

If the Issuer is not be able to identify suitable targets or carry out acquisitions, there is a risk that it does not reach its communicated financial targets. There is also a risk that the Issuer is not able to carry out investments on acceptable terms or obtain full protection through the acquisition agreements against, for example, tax risks, customer losses, disputes, complaints, non-compliance deficiencies or that unexpected costs are not detected through a due diligence process carried out prior to the acquisition. Moreover, there is a risk that a significant

part of the costs resulting from an acquisition, investment or divestment that has not been completed, or a new establishment that does not prove successful, are charged to the Issuer. The aforementioned risks may result in increased costs, including costs for things that the Issuer is subsequently unable to absorb revenue from and which may thus have a material negative impact on the Group's net revenue growth, future financial results and the possibility to finance future acquisitions.

The Issuer may fail in connection with the integration of acquired companies and operations

There is a risk that the Group will not be able to successfully integrate a target and that such integration may require more investments than expected, and that the Group may thus incur unknown or unexpected liability and obligations in relation to users, employees or other parties. The process of integrating a target may also be disruptive to the Group's operations due to, among other things, conflicting interests with minority shareholders in partly-owned subsidiaries, unforeseen legal issues and difficulties in realising operational synergies (including but not limited to cultural differences) or failures to maintain the quality of the services that have historically been provided and thus affected the Group's reputation. Furthermore, future acquisitions may divert the Group's attention from day-to-day management and cause additional liabilities for the Group. During the integration phase, the Group is particularly dependent on retaining key employees in the acquired company. If the Issuer is unable to retain key employees in connection with the acquisitions, the integration of an acquired company risks taking longer and the Group risks losing valuable knowledge of the acquired company's culture, products and the markets in which the company operates.

Legal and regulatory risks

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

The Group's studios and games are available in a large number of jurisdictions worldwide, many of which have their own individual regulations governing the running of operations in general and online gaming in particular. The Group closely monitors its compliance with such regulations as well as any changes thereto to ensure that it always complies with applicable regulations in the online gaming industry. However, there is a risk that the Group is not always fully compliant with all local laws and regulations due to a different interpretation of applicable rules than the authorities, which may result in the Group being subject to legal proceedings, complaints or injunctions, or that fines, damages or other charges will be directed against the Group. This may incur costs for the Group and adversely affect the Group's reputation.

The Group is, for example, obliged to maintain a trading license for its business activities in the United Arab Emirates. Although the Group's operations do not currently require any other specific permits or licenses, applicable laws are constantly reviewed and amended by the regulatory authorities of the relevant countries. There is a risk that the Group may be subject to such additional laws, regulations and rules, directly or indirectly, or that its trading license in the United Arab Emirates is revoked, which would prevent the relevant subsidiary from operating as planned, thereby losing revenue and possibly contributing to the costs of closing or divesting the operations.

Even if the Group takes steps to prevent minors from playing the Group's online games, there is a risk that some users playing the Group's games are minors. This could result in negative publicity that may damage the Group's reputation and lead to a loss of customers, or result in disputes that are time consuming and costly for the Group, both of which may have a material impact on the Group's profitability, revenues and results of operations.

The Group is also subject to anti-spam regulations in certain jurisdictions where it operates, which limit the Group's use of, for example, email and SMS/text message as a marketing channel. In some jurisdictions, marketing is a strictly regulated measure that requires explicit consent and is a highly contentious issue. The Group markets its games in some of these jurisdictions, thus exposing the Group to a risk of violating relevant regulations and incurring complaint claims against the Group. Claims made against the Group in this regard may be detrimental to the Group's reputation, while also being costly and time consuming, and may thus have a material negative effect on the Group's revenues, results of operations and reputation.

Risks related to the processing of personal data

The Group processes personal data about, among other things, its employees and consumers. The Group is subject to data protection laws, rules and regulations in several jurisdictions (including but not limited to the Data Protection Regulation ((EU) 2016/679) ("**GDPR**") and the California Consumer Privacy Act ("**CCPA**"). Compliance with all such laws, regulations and rules is complicated and costly. Any non-compliance by the

Group with applicable data protection laws, rules and regulations may give rise to negative publicity and damage the Group's reputation and lead to loss of consumers and revenues. It may also lead to fines and damage claims from individuals and injunctions from authorities to address the deficiency. Failure to comply with the GDPR may result in administrative fines of up to EUR 20 million or 4.0 per cent. of the Group's total annual turnover. Non-compliance with the rules applicable in the markets in which the Group operates may thus have a material negative impact on the Group's reputation, operations and results of operations.

On 16 July 2020, the Court of Justice delivered judgment in Case C-311/18 (so-called 'Schrems II') concerning the admissibility of the transfer of personal data from operators established within the EU/EEA to countries outside the EU/EEA ('third countries'). The ruling invalidates the certification that companies had previously relied on when transferring personal data to the United States, known as "Privacy Shields", with immediate effect. The ruling also limits the use of EU standard contractual clauses for transfer to third countries. Regarding the standard contractual clauses, the European Data Protection Board (EDPB), has, in its recommendations 01/2020 and 02/2020, provided guidance on the processing of the transfer of personal data to third countries. It follows from the guidance that, despite the fact that EU standard contractual clauses are applied as a transfer mechanism, exporters are obliged to carry out a risk analysis of the transfers of personal data carried out and to take additional security measures to the extent that the legislation of the recipient country restricts the protection of privacy. Such additional security measures may include, for example, encrypting personal data both in transit and during storage. Hence, the ruling risks requiring the Group to carry out comprehensive legal risk analyses, renegotiate existing agreements, be limited in its choice of suppliers and partners or fail to comply with the GDPR as a result of unauthorised transfer of personal data to third countries, which may have a material impact on the Group's operating expenses, operations and results of operations.

Risks related to competition law issues

In connection with acquisitions and possible divestments, the Issuer itself, together with counterparties and the respective parties' advisors, conducts competition law and other ownership change-related analyses, and makes notifications to the competition authorities deemed relevant. If such analyses fail and the competition authority, or another authority, questions transactions, analyses and/or notifications, or if the Group otherwise acts in violation of applicable competition rules, it may result in fees and other sanctions being imposed on the involved parties and, in specific cases, that the transactions carried out are deemed invalid, which may have a material negative impact on the Group's operations and results of operations.

Risks related to gaming regulation issues

The gaming industry is being increasingly monitored by authorities in the various jurisdictions in which the Group operates. One aspect of games that is being reviewed is so-called loot boxes and similar elements with game-like features included in some of the gaming products within the Group's portfolio. Questions about whether loot boxes and similar in-game features fall within the definition of a regulated game have been discussed on an ongoing basis by individual countries within the European Union, the United Kingdom, the United States and other jurisdictions, and are under increasing scrutiny from authorities.

In December 2017, Apple updated its terms of service to require publishers of applications containing loot boxes to disclose the odds of receiving each type of item in each loot box to customers prior to purchase. Google similarly updated its terms of service in May 2019. Loot boxes are a commonly used monetisation technology in free-to-play mobile games where a player can acquire a virtual loot box without knowing which virtual item or items he or she will receive (which may be a common, rare or extremely rare item and may be duplicated by an item that the player already has in its inventory) until the loot box is opened. The player will always receive one or more virtual items when it opens the loot box. In the event that Apple, Google or any of the Group's other platform providers change their service development terms to include more onerous requirements or if any of the Group's platform providers prohibit the use of loot boxes in games distributed on its digital platform, the Group would need to reshape the monetisation of the affected games in order to continue distribution on current platforms, which would likely cause a decrease in revenue from those games. In the event that Apple, Google or any of the Group's other platform providers ceases the distribution of any or all games, the Group would temporarily or permanently lose the revenue stream associated with the distribution of relevant games from such platform. If the Group is forced to reshape its monetisation or is prevented from distributing one or more games on any platform, it could have a material negative impact on the Group's operations, net revenues and results of operations.

The Issuer has no reason to believe and is currently not aware that the Group's monetisation mechanisms in the Group's games are contrary to the legal framework within the European Union or other relevant jurisdictions. However, new rules, which may vary greatly between jurisdictions and which the Group may need to comply

with, could require certain game mechanics to be changed or removed from games, which may affect player engagement and monetisation from the games or otherwise damage the Group's business performance. It is difficult to predict how existing or new laws can be applied to these or similar game mechanics. In addition, the increased attention on liability issues due to lawsuits and bills may damage the Group's reputation or otherwise affect the growth of the Group's operations. The Issuer closely monitors the legal development in all jurisdictions in which the Group operates in order to avoid violations of applicable laws and regulations relating to the gaming sector, including consumer law aspects of different types of games.

The close monitoring of new and changed regulations in all jurisdictions in which the Group operates entails costs for legal advisors and may lead to both reduced revenues and increased costs should an unforeseen adaptation of the games be required in order not to violate applicable regulations or as a result of the monetisation mechanism applied in the games not being considered lawful. Furthermore, the Group may incur unexpected costs if authorities impose fines on the Group due to the Group having made a different assessment and application of the regulations. Accordingly, the aforementioned risks having a material negative impact on the Group's operations, operating expenses and results of operations.

Resistance to so-called interactive social gaming

In September 2018, the World Health Organization added "gambling disorder" to the international classification of diseases, and defined the disease as a behavioural pattern characterised by impaired control over games and an increase in game priority over other interests and daily activities. In addition, the Group believes that the public has become increasingly concerned about how much time is spent each day on activities linked to mobile phones, tablets and computers and that these concerns have increased during the ongoing COVID-19 pandemic as people spend more time at home and on their devices. Some jurisdictions have anti-gambling lobbying groups that specifically target social casino games which the Group offers through, for example, its gaming studios Moonfrog and Super Free. In such jurisdictions, the opposition could lead to the passing of legislation or introduction of regulations to specifically control interactive social or social casino games, which may result in a complete ban on interactive social or social casino games, limit the Group's ability to advertise games or significantly increase the Group's costs for complying with such rules. This may have a material negative impact on the Group's operations, operating expenses, net revenues and results of operations. The Group is, however, currently unable to predict the probability, timing, scope or terms of such legislation or regulation or the extent to which it may affect the Group's operations.

Risks related to reclassification of consultants

Consultants are often hired throughout the Group. In several of the jurisdictions in which the Group operates, hiring consultants instead of having their own employees normally entails a risk that a contract relationship will be reclassified as employment for consultants who have assignments. In the event of such a reclassification, the consultant would typically be entitled to employment protection and the relevant Group Company would be liable to pay tax and social fees on the remuneration paid to the consultant, which could have a material negative impact on the Group's results of operations.

The above risk means that the Group may incur unexpected fees in its capacity as employer for the consultants that it hires, which may have a material negative impact on the Group's results of operations.

Risks related to the use of temporary workers

The Group uses, or at least has used, and may in the future use, temporary workers. The labour hire of workers/temporary workers is strictly regulated under the German regulatory framework and non-compliance may have an economic impact on both the company renting out the labour and the company hiring the labour. The main risk associated with any such labour hiring is, to the extent that it is not conducted in accordance with the relevant German regulations, that the temporary employees in question may demand to become employed by the company that is hiring them (including employment law consequences such as redundancy protection, withholding tax and social fees). Failure to comply with the current German regulations, as well as similar regulations in other jurisdictions in which the Group operates, is also an administrative offence which may result in the imposition of substantial fines on both the company hiring the labour and the company renting out the labour. In Germany, for example, such fines may amount to EUR 30,000 and in some cases up to EUR 500,000.

The above risk means that the Group, in its capacity as employer, may be subject to unexpected fees and high fines if the Group does not comply with the rules for temporary worker, which may have a material negative impact on the Group's results of operations.

Risks related to changes in taxation or interpretation and applicability of applicable tax laws

The Group's operations are conducted through subsidiaries in several jurisdictions, and the Group is therefore tax resident in Sweden as well as several other jurisdictions. In 2019 and 2020, the Group's accumulated tax costs amounted to SEK 113 million and SEK 219 million, respectively. The Group's tax position, both with respect to previous, current and future years, may change as a result of decisions by local tax authorities or changes to laws or regulations (including applicable tax rates or precedents in the jurisdictions in which the Group operates). This could result in increased future tax costs for the Group as well as costs attributable to the interpretation of, and adaptation to, potential changes in tax legislation. As an example, new tax legislation focusing on digital services, which may become relevant in certain jurisdictions in which the Group operates, may negatively affect the Group through increased tax costs.

The Group conducts and reports its operations in accordance with internal rules and in line with professional advisors' interpretation of applicable tax legislation, regulations, administrative proceedings and legal precedents in the jurisdictions in which the Group operates. There is a risk that tax authorities, courts or other public entities consider the Group's interpretation and application of the tax legislation to be incorrect.

For example, when the Issuer is acquiring shares in companies from private individuals, there is a risk that the expected tax treatment in connection with the transaction and the payment of the purchase price or earn-out payments prove to be wrong, which could lead to non-beneficial taxation of private individuals and/or unexpected social fees for the Group. Moreover, the right to deduct transaction costs may be limited in certain cases, which may result in increased tax costs for the Group. Since the Group's Executive Management is partially located outside of Sweden, the Issuer may have to register and pay tax in other jurisdictions than Sweden. In addition, systematic errors by the Group, for example, with respect to value-added tax or transfer pricing, may be accumulated over several years and have to be corrected, which could result in large one-time costs for the Group.

If tax legislation in one or several jurisdictions in which the Group operates changes or is misinterpreted by the Group, the Group may be imposed further taxes, interest, fees or sanctions that adversely affect the Group's liquidity, financial position and operating margin.

Risks related to internal control

If the Group fails to adequately manage growth, its operations may be adversely affected

The Group has experienced rapid growth, which increases the demands on the Group's management, operational control, information and reporting systems and financial control. In order to achieve its revenue and growth goal of reaching SEK 10,000 million in net revenues by 2023, the Issuer must successfully manage business opportunities, revenue streams, the quality of products and services and the operations in general. In addition, the Issuer must be able to increase capacity and strengthen the infrastructure in line with consumer demand in the jurisdictions in which the Group operates. This requires the Group to retain and hire qualified personnel in order to meet the new challenges posed by growth. The Issuer may need to explore new and diversified monetising strategies and the increasing complexity of the business may place additional demands on the Issuer's systems, controls, procedures and management team, which may affect the Issuer's ability to successfully manage future growth. However, there is a risk that the Issuer will not be able to successfully implement revenue or cost strategies, which may lead to delays in meeting consumer demand. Future growth will also entail increased responsibility for the Group's management with respect to the need to identify, recruit, train and integrate additional employees. There is a risk that the Issuer will not be able to handle such development and growth in the future or in a desirable manner, which may have a material negative impact on the Group's net revenue growth, operating expenses and results of operations.

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

The Group applies a decentralised organisational model, which means that the subsidiaries are largely responsible for, and conduct their respective operations independently of, the Issuer and that the number of cross-subsidiary collaborations within the Group is limited. To ensure that the Group maintains the necessary level of internal control and governance while maintaining its decentralised structure, each subsidiary is required to refer certain decisions or provide certain information to the Issuer's Board of Directors. The Group's Executive Management controls and monitors the activities and development of the subsidiaries.

Corporate governance in a decentralised organisation places high demands on financial reporting and follow-up. The decentralised organisational model has historically benefited the Group, especially in light of the far-reaching autonomy of the various subsidiaries. The Group's global financial organisation is divided into a central organisation, as well as regional financial hubs. The financial hubs are responsible for ensuring that reporting and internal control in the subsidiaries within the regional hub are implemented in accordance with the principles established by the Group. This ensures that there is a centrally operated regional financial management closer to the subsidiaries, with local links to the region.

If the Issuer's corporate governance and internal control procedures are not properly implemented or applied, there is a risk that the Group will not be able to deliver the necessary financial information and effectively monitor the Group Companies' operations, financial position, risk management and compliance. This risk increases as the number of Group Companies increases. Inadequate and inefficient corporate governance or internal control may cause the Group to suffer unexpected costs and damage public confidence in the Group, which risks reducing demand for the Group's products and eventually reducing revenues. This could have a material negative impact on the Group's net revenues, operating expenses and results of operations.

Risks relating to the Bonds

Structural subordination and dependency on subsidiaries

The Issuer holds no significant assets other than the shares in its subsidiaries. The Issuer's ability to make required payments of interest on its debts and funding is therefore affected by the ability of its subsidiaries to transfer available funds to it, which in turn is dependent on the value generated in the businesses of such subsidiaries. Any transfers to the Issuer from its subsidiaries, *e.g.* in the form of dividends or other distributions, revenues, cash-pooling arrangements, interest and intra-group loans, may also be restricted or prohibited by legal and contractual requirements applicable to each respective subsidiary, including the relevant subsidiary's financing arrangements.

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer. This means that in the event of insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of the Issuer, the Holders normally receive payment after any creditor with secured assets or other creditors with higher ranking claims. Furthermore, since the Issuer's subsidiaries constitute separate legal entities, such subsidiaries do not have any obligation to fulfil the Issuer's obligations with regard to its creditors. Accordingly, should any of the aforementioned events occur, there is a risk that the Holders are not able to recover their investments in the Bonds.

Moreover, in the event of insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the Issuer's subsidiaries, unsecured creditors of such subsidiaries as well as secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to the Issuer as shareholder. Hence, if any or several of the subsidiaries become subject to any such event, or for any other reason do not generate sufficient liquidity to the Issuer, it may have a material adverse effect on the Issuer's financial position and its ability to fulfil its obligations under the Bonds.

Risks related to early redemption and put options

Under the Terms and Conditions of the Bonds, the Issuer has reserved the possibility to redeem all, but not some only, of the outstanding Bonds before the final maturity date under certain circumstances. If the Bonds are so redeemed, the Holders have the right to receive an amount which is higher than the nominal amount (depending on when such redemption occurs) together with accrued but unpaid interest. The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, there is a risk that investors are not able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed, or are only able to do so at a significantly higher risk. In addition, an optional redemption feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem Bonds, the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed, thus presenting a risk to investors. This also may be true prior to any redemption period.

Furthermore, the Bonds are subject to mandatory repurchase at the option of each Holder (put options) upon the occurrence of certain events, including a change of control of the Issuer, if the shares in the Issuer cease to be listed on a regulated market or MTF, or if the Bonds are not admitted to trading on a regulated market (or following a successful listing and subsequent de-listing of the Bonds is not re-listed on a regulated market)

within a certain time period. If a Holder wishes to exercise its put option, there is a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required payments of the Bonds, which could adversely affect the Issuer by, for example, causing its insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Holders and not only those who choose to exercise the option.

Risks relating to admission to trading and the secondary market

Subject to the Terms and Conditions, the Issuer has the intention that the Bonds shall be admitted to trading on the corporate bonds list of Nasdaq Stockholm (or another regulated market) within thirty (30) days after the first issue date. There is, however, a risk that the Issuer does not procure admission to trading within such time period, or at all, or following a successful admission is unable to maintain the listing of the Bonds. A failure to obtain or maintain such listing risks having a negative impact on the market value of the Bonds.

Moreover, even if the Bonds are admitted to trading in accordance with the Terms and Conditions, active trading may not always occur and, thus, there can be no assurance that a liquid market for trading in the Bonds will exist or be maintained. It should be noted that during a given time period, it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close-down of the relevant market or trade restrictions imposed on the market. In general, financial instruments with a high nominal value, such as the Bonds, tend not to be traded as frequently as financial instruments with a lower nominal value. Consequently, Holders may not be able to sell their Bonds at the desired time or at a price level that will provide them with a yield comparable to similar investments that have an active and functioning secondary market. The degree to which the liquidity and the trading price of the Bonds may vary is uncertain, and presents a significant risk to investors.

Furthermore, if the Issuer fails to procure listing in time, investors holding Bonds on an investment savings account (ISK) will no longer be able to hold the Bonds on such account, thus affecting such investor's tax situation.

Credit risk relating to investments in the Bonds

An investment in the Bonds carries a credit risk in relation to the Issuer and the Group. The ability for Holders to receive payments under the Terms and Conditions is dependent on the Issuer's capability and willingness to meet its payment obligations. This, in turn, is dependent on the Group's performance and financial position, which are affected by numerous factors outside the Group's control, some of which have been outlined above. Moreover, if the Issuer's creditworthiness is reduced, it may cause the market to charge the Bonds a higher risk premium, which could have a significant adverse effect on the market value of the Bonds. It could also reduce the Issuer's possibility to obtain debt financing. Consequently, if the financial position of the Group deteriorates, for any reasons, it may adversely affect the Issuer's ability to fulfil its obligations under, as well as affect the market value of, the Bonds. This presents a significant risk to the Holders.

No action against the Issuer and Holders' representation

In accordance with the Terms and Conditions, the Agent will represent all Holders in all matters relating to the Bonds and individual Holders are not entitled to bring any actions against the Issuer relating to the Bonds, unless such actions are supported by the majority pursuant to the Terms and Conditions. Consequently, there is a risk that the value of the Bonds will decrease meanwhile a requisite majority is not willing to take necessary legal action against the Issuer. The unwillingness of a majority of Holders to act could, thus, damage the value of other Holders' investments in the Bonds. In addition, there is a risk that an individual Holder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could adversely affect an acceleration of the Bonds or other action against the Issuer. For example, if an individual Holder were to initiate a bankruptcy proceeding against the Issuer, such proceeding could, despite being in breach of the Terms and Conditions, be legally valid and, thus, cause damage to the Issuer and/or the Holders.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Holders, including the right to agree to amend and waive provisions under the Terms and Conditions. Hence, there is a risk that the actions of the Agent in such matters affect a Holder's rights under the Terms and Conditions in a manner that is undesirable for some Holders. Moreover, failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Holders.

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 arise as a result of the Joint Bookrunners having previously engaged in, or may in the future engage in, transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interest. As an example, DNB Sweden AB, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) are currently the lenders under a SEK 3,750,000,000 multicurrency revolving credit facility, which has been entered into by, among others, the Issuer as borrower. Any such conflict of interest may have a material adverse effect on the price of the Bonds.

European Benchmark Regulation

The interest on the Bonds is determined based on a floating interest rate of 3-month STIBOR plus a margin. The process for determining STIBOR and other interest rate benchmarks is subject to a number of statutory rules and other regulations. STIBOR constitutes a benchmark according to the 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**”), which regulates the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The Benchmark Regulation could, for example, have a material impact on the Bonds if the methodology or other terms of STIBOR are changed in order to comply with the terms of the Benchmark Regulation. Such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. Any such change of the methodology presents a significant risk to the return on a Holder’s investment.

DESCRIPTION OF THE BONDS AND USE OF PROCEEDS

This section is only intended to serve as an introduction to the Bonds. Any decision to invest in the Bonds shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The Terms and Conditions of the Bonds are found on pages 46–79 in this Prospectus.

The Bonds

The Bonds have a Nominal Amount of SEK 1,250,000 each and are denominated in SEK. The Initial Bonds are senior unsecured floating rate bonds issued on 19 May 2021 on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount. The Total Nominal Amount of the Initial Bonds as at the First Issue Date is SEK 1,500,000,000. In total, 1,200 Initial Bonds have been issued.

In addition to the Initial Bonds, Subsequent Bonds may be issued at one or several occasions in accordance with and subject to the Terms and Conditions. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,000,000,000, unless a consent from the Holders is obtained in accordance with the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Bonds on Nasdaq Stockholm (or if such admission to trading is not possible to obtain or maintain, on another Regulated Market).

If any Subsequent Bonds are issued, a new prospectus will be prepared for the admission to trading of such Subsequent Bonds. Subsequent Bonds will be issued subject to the Terms and Conditions, including, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds. The price of the Subsequent Bonds may, however, be set at a discount or at a premium compared to the Nominal Amount.

ISIN and trading code

The Bonds have been allocated the ISIN code SE0015961065. The Bonds will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

Form of the Bonds

The Bonds are issued in dematerialised book-entry form and registered on a Securities Account (*värdepapperskonto*) on behalf of the relevant Holder. Hence, no physical notes or certificates in respect of the Bonds have been issued. The Bonds are registered in accordance with the Financial Instruments Accounts Act (*lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and registration requests relating to the Bonds shall be directed to an Account Operator. The Bonds are governed by Swedish law and are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (*ensidig skuldförbindelse för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

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 regulation to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.

Status of the Bonds

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

Issuance, repurchase and redemption

First Issue Date and Final Maturity Date

The Initial Bonds were issued on 19 May 2021. Unless previously redeemed or repurchased in accordance with the Terms and Conditions, the Issuer shall redeem all, but not some only, of the outstanding Bonds in full with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on 19 May 2025 (the “**Final Maturity Date**”).

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

Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Bonds during the periods and at the amounts set out in the table below:

Period of time	Price per Bond
(a) any time prior to but excluding, the date falling twenty-four (24) months after the First Issue Date (the “ First Call Date ”)	at an amount per Bond equal to the amount per Bond payable pursuant to (b) below (for the avoidance of doubt, including the accrued but unpaid Interest), plus the amount of all remaining scheduled Interest payments on the Bond until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to but excluding the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given);
(b) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date	at an amount per Bond equal to 101.375 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
(c) any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date	at an amount per Bond equal to 100.9625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
(d) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date	at an amount per Bond equal to 100.55 per cent. of the Nominal Amount, together with accrued but unpaid Interest; or
(e) any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date	at an amount per Bond equal to 100.275 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

If the redemption is financed (in whole or in part) with one or several new Market Loans, the Issuer may, however, redeem the Bonds from and including the date falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid interest.

The Issuer can exercise its option by giving the Holders and the Agent not less than fifteen (15) Business Days’ notice in accordance with the Terms and Conditions.

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

Upon the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event, each Holder shall during a period of fifteen (15) Business Days from the effective date of a notice from the Issuer of such event have the right to request that all, or some only, of its Bonds be repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) in accordance with the Terms and Conditions. However, such 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 the case may be.

The price per repurchased Bond shall equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest.

“**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.

“**De-listing Event**” means the occurrence of an event whereby (i) all shares in the Issuer cease to be listed on a Regulated Market or an MTF 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**” means (i) that the Bonds are not admitted to trading on a Regulated Market within sixty (60) days following the First Issue Date or the date of issuance of any Subsequent Bonds (as applicable), or (ii) following a successful listing and subsequent de-listing of the Bonds from a Regulated Market, the Bonds are not re-listed by the date falling sixty (60) days from the date of the de-listing.

If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer in accordance with the Terms and Conditions. The Redemption Date must fall no later than twenty (20) Business Days after the end of the fifteen (15) day period following the notice from the Issuer.

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 Terms and Conditions relating to the repurchase in the event of a Change of Control Event, a De-listing Event or a Listing Failure Event, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under such relevant provisions in the Terms and Conditions by virtue of the conflict.

Payments in respect of the Bonds

Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Holder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

Interest and default interest

Interest

Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

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. The Interest Payment Date shall be 19 May, 19 August, 19 November and 19 February of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 19 August 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

The interest rate applicable to the Bonds is calculated based on a floating rate of 3-month STIBOR plus 2.75 per cent. *per annum*. For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

Default interest

If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The 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.

Use of benchmarks

Interest payable for the Bonds will be calculated by reference to STIBOR. As of the date of this Prospectus, the administrator (being, at the date of this Prospectus, the Swedish Financial Benchmark Facility) does not appear on the register of administrators and benchmarks maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the provisions in Article 51 of the Benchmarks Regulation apply to such that the Swedish Financial Benchmark Facility is not yet required to obtain authorisation or registration.

Acceleration of the Bonds

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 in accordance with the Terms and Conditions (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if an Event of Default occurs under the Terms and Conditions. However, the Agent may not accelerate the Bonds in by reference to a specific Event of Default if it is no longer continuing or if it has been decided on a Holders Meeting or by way of a Written Procedure to waive such Event of Default (temporarily or permanently).

For further detail on the provisions for acceleration and prepayment of the Bonds, see Section 12 of the Terms and Conditions.

General undertakings

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to:

- (a) distributions;
- (b) admission to trading;
- (c) nature of business;
- (d) financial indebtedness;
- (e) negative pledge;
- (f) disposal of assets;
- (g) dealings with related parties;
- (h) compliance with laws, etc.;
- (i) intellectual property;
- (j) the Agency Agreement; and
- (k) the CSD,

some of which are elaborated on below. The undertakings are subject to qualifications. See Section 11 of the Terms and Conditions.

Distributions

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 Capital Securities, or (v) make any other similar distributions or transfers of value (*värdeöverföringar*) to the Issuer’s, or its Subsidiaries’, direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”).

Notwithstanding the above, a Restricted Payment may be made (A) by any Group Company to another Group Company, provided that if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis, (B) by the Issuer in respect of any interest under any Capital Securities, (C) by the Issuer in respect of any principal under any Capital Securities, to the extent it is financed by way of issuance of other Capital Securities or equity of any kind, or is permitted pursuant to sub-paragraph (E) below, (D) by the Issuer pursuant to any management incentive programme, (E) 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) made pursuant to this sub-paragraph (E) 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 (F) 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.

Admission to trading

The Issuer intends to admit the Initial Bonds 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 thirty (30) days after the First Issue Date. The Issuer shall in any event ensure 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.

The Issuer intends to admit any Subsequent Bonds to trading on the relevant Regulated Market within thirty (30) days, and shall in any event ensure that they are so admitted to trading within sixty (60) days, after the relevant Issue Date. If any Subsequent Bonds are issued prior to the admission of trading of the Initial Bonds, such Subsequent Bonds shall be listed on the same date as the Initial Bonds.

Following an admission to trading the Issuer shall use its best efforts to maintain it for as long as any Bonds are outstanding, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. The Bonds are however not required to be admitted to trading on a Regulated Market from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

It is estimated that the Issuer’s costs in conjunction with the admission to trading will be no higher than SEK 235,000.

Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any new Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, or increase the maximum commitment under any Permitted Revolving Capital Facility or Permitted Working Capital Facility, provided, however, that each of the Group Companies have a right to incur, maintain and prolong Financial Indebtedness, and increase the maximum commitment under any Permitted Revolving Capital Facility or Permitted Working Capital Facility, which constitute Permitted Debt.

For further details, see the definitions of Financial Indebtedness and Permitted Debt, respectively, in the Terms and Conditions.

Negative pledge

The Issuer shall not, and shall procure that none of its 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.

For further details, see the definition of Permitted Security in the Terms and Conditions.

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 upon the reasonable request of the Agent, provide the Agent with any information relating to any such disposal being made.

Dealings with related parties

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

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 Company; (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 (in each case to the extent commercially reasonable and only in such jurisdictions the relevant Group Company deems relevant); (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), has or is reasonably likely to have a Material Adverse Effect.

Decisions by Holders

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.

Only a Holder, or a person who has been provided with a power of attorney or other authorisation pursuant to the Terms and Conditions from a Holder on the Business Day specified in the notice pursuant to the Terms and Conditions, in respect of a Holders' Meeting, or on the Business Day specified in the communication pursuant to the Terms and Conditions, 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 Adjusted Nominal Amount.

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 the Issuer or the other Holders.

Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Holder and also be 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.

No direct action by Holders

Subject to certain exemptions set out in the Terms and Conditions, 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

Prescription

The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been prescribed and has become void.

Governing law

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

The CSD

Euroclear Sweden, Swedish Reg. No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Bonds.

The Agent and the Agency Agreement

Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, is initially acting as Agent on behalf of the Holders in accordance with the Terms and Conditions.

Pursuant to the Agency Agreement that was entered into before the First Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Holder subject to and in accordance with the Terms and Conditions and any other relevant Finance Documents. The Issuer has undertaken to, among other things, pay certain fees to the Agent.

The Issuing Agent

Swedbank AB (publ), Swedish Reg. No. 502017-7753, is initially acting as Issuing Agent in accordance with the Terms and Conditions.

Use of proceeds

The Issuer shall use the Net Proceeds from the issue of the Initial Bonds for general corporate purposes of the Group (including but not limited to refinancing, investments, acquisitions and earn-out payments). The Issuer shall use the Net Proceeds from the issue of any Subsequent Bonds for general corporate purposes, including but not limited to refinancing, investments, acquisitions and earn-out payments.

DESCRIPTION OF THE ISSUER AND THE GROUP

Business and industry overview

Stillfront is a global group of currently 20 gaming studios located in Europe, North America, India and the Middle East and North Africa (“**MENA**”) region. Stillfront is an independent developer, publisher and distributor of online games distributed globally, and its main markets are the United States, Germany, the MENA region, the United Kingdom and France. The Group’s diverse and exciting games portfolio has two common themes: loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody the Group’s growth strategy. Stillfront has approximately 1,250 employees around the world and is headquartered in Stockholm, Sweden.

The global gaming industry is one of the largest sectors of the entertainment industry globally. In 2020, the global gaming market was expected to generate revenues of USD 174.9 billion, a 19.6 per cent. increase compared with the previous year. By 2023, the global gaming market is expected to grow to USD 217.9 billion with a compounded annual growth rate (CAGR) (2018–2023) of +9.4 per cent.¹ The gaming industry has surpassed other forms of entertainment in terms of revenues and is bigger than the music and movie industries combined. Globally, the numbers of people who play online games is growing steadily and was expected to amount to 2.7 billion in 2020. Out of these 2.7 billion, approximately 2.5 billion are attributable to mobile games.²

History

The Issuer was incorporated in Stockholm, Sweden in 2006. In 2010, Stillfront merged with several companies, including Gameraock AB, Verrano AB and Coldwood, and was established in its current form with the vision of building a well-diversified portfolio of long lifecycle games by acquiring independent gaming studios and letting these operate independently within the same group. By applying a modern portfolio theory and focusing on a diversified portfolio of games with a long lifecycle, the Group is able to maintain solid revenue levels, while generating sufficient cash flow in order to develop and finance the development of new games and the acquisition of new studios. The consolidation process was completed in 2012, at which time operations in accordance with the current operating structure began.

From 2012 to 2016, the Issuer acquired a number of additional companies, including Power Challenge (2012), Bytro Labs (2013), Dorado Games (2014), Babil Games (2016) and Simutronics (2016).

In December 2015, the Issuer listed its shares on Nasdaq First North Stockholm (currently Nasdaq First North Premier Growth Market).

In 2017, the Issuer issued its first corporate bond loan in an amount of SEK 110 million under a framework of SEK 500 million, due in May 2020 (the “**2017/2020 Bonds**”). The 2017/2020 Bonds were admitted to trading on Nasdaq Stockholm (ISIN: SE0009973050).

In May 2017, the Issuer acquired eRepublik, and in June of the same year the listing of the Issuer’s shares was moved to Nasdaq First North Premier Growth Market.

In January 2018, the Issuer acquired Goodgame Studios, and in October the same year it acquired Imperia.

In November 2018, the Issuer redeemed the 2017/2020 Bonds through the issuance of a new corporate bond loan in an amount of SEK 600 million under a framework of up to SEK 1 billion, due on 22 November 2022 (the “**2018/2022 Bonds**”). The 2018/2022 Bonds have been admitted to trading on Nasdaq Stockholm (ISIN: SE0011897925).

In December 2018, the Issuer acquired Playa.

¹ Source: Newzoo, Global Games Market Report 2020 October update – <https://newzoo.com/insights/articles/game-engagement-during-covidpandemic-adds-15-billion-to-global-games-market-revenue-forecast/>. The information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

² Source: Newzoo, Global Games Market Report 2020 June update – <https://newzoo.com/insights/articles/games-market-engagement-revenues-trends-2020-2023-gaming-report/>. The information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

During 2019 and 2020, the Issuer expanded its Executive Management team and appointed several new key individuals to the team.

During the summer of 2019, the Issuer acquired Kixeye and its subsidiaries. In connection with the acquisition of Kixeye, the Issuer carried out a directed share issue of SEK 500 million to selected investors and issued an additional corporate bond loan in an amount of SEK 500 million under a framework of up to SEK 1 billion, due on 26 June 2024 (the “**2019/2024 Initial Bonds**”). The 2019/2024 Initial Bonds were initially admitted to trading on the Frankfurt Stock Exchange Open Market; however, on 22 June 2020, the bonds were instead admitted to trading on Nasdaq Stockholm (ISIN: SE0012728830) and on 15 October 2020, they were de-listed from Frankfurt Stock Exchange Open Market.

In January 2020, the Issuer carried out a directed share issue of 3,424,129 shares, corresponding to approximately SEK 1.3 billion, through an accelerated book-building procedure in order to finance the acquisition of Storm8 and strengthen future financial capacity. The acquisition closed in February 2020. In conjunction with this acquisition, the Issuer issued additional bonds in an amount of SEK 500 million under the framework of the 2019/2024 Bonds (the “**2019/2024 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.

On 23 April 2020, the Issuer acquired Candywriter. The acquisition closed on 29 April 2020.

In June 2020, the Board of Directors of the Issuer resolved, based on an authorisation granted by the Annual General Meeting 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 book-building procedure in order to provide the Issuer further financial strength and flexibility to act swiftly on potential future acquisitions and growth opportunities and to diversify the shareholder base among Swedish and international institutional investors. The directed share issue was resolved on 16 June 2020 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 17 June 2020.

On 22 September 2020, the Issuer announced an updated financial growth target. In connection with the update of the financial growth target, it was announced that the financial profitability and indebtedness targets were left unchanged. Further details on the Issuer’s financial targets are set out in the section “*Vision and financial targets*”.

On 17 September 2020, the Issuer acquired the majority of the shares in Nanobit. The acquisition closed on 30 September 2020.

On 28 October 2020, the Issuer acquired Everguild. The acquisition closed on the same day.

In December 2020, the Issuer entered into an unsecured revolving credit facility in an amount of SEK 3.75 billion due in December 2023, with DNB Sweden AB, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) as original lenders. The revolving credit facility replaced the facilities agreement entered into in January 2020.

On 17 December 2020, the Extraordinary General Meeting resolved on a share split 10:1. The record date for the share split was 28 December 2020.

On 18 December 2020, the Issuer acquired Sandbox and Super Free. The Sandbox and Super Free acquisitions closed on 30 December 2020 and 29 January 2021, respectively.

In January 2021, the Issuer acquired Super Free. The acquisition closed on 29 January 2021.

On 18 January 2021, the Issuer entered into an overdraft facility agreement in an amount of SEK 200 million with Swedbank AB (publ), with a term of 12 months. The facility is connected to the Issuer’s consolidated account with Swedbank AB (publ).

On 1 February 2021, the Issuer acquired the majority of the shares in Moonfrog. The acquisition closed on 26 February 2021.

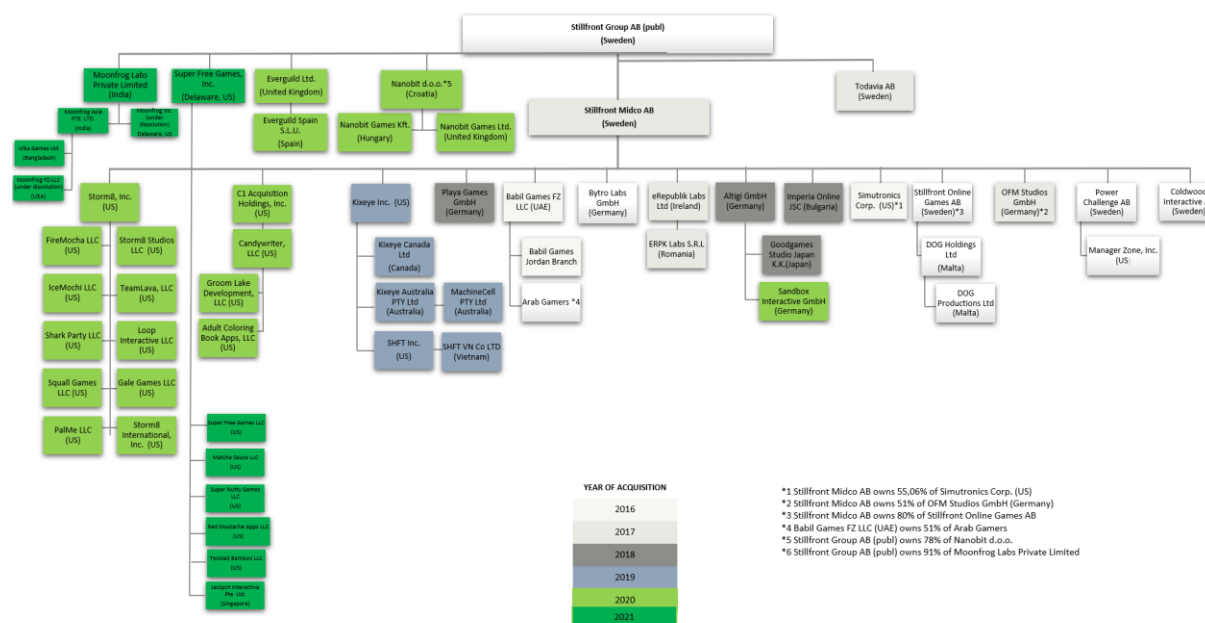
On 7 May 2021, the Issuer acquired Game Labs. The acquisition closed on the same day.

Organisation and Group structure

The Issuer is the parent company of the Group. In addition to the Issuer, the Group consists of 61 companies distributed over 20 studios. The Executive Management consists of eight people and the Board of Directors

consists of six members without deputies. For more information about the Executive Management and the Board of Directors, see "Board of directors, executive management and auditor".

Set out below are the Issuer's subsidiaries and the ownership structure of such subsidiaries. All subsidiaries listed below are owned directly or indirectly by the Group, unless otherwise is stated below.



The Group's operations are conducted through the subsidiaries and the Issuer is therefore dependent upon receipt of sufficient income arising from the operations of the other Group Companies. The Issuer is mainly engaged in Group-wide tasks, such as M&A activities and providing financing to the subsidiaries within the Group. Stillfront Midco AB is a holding company for some of the operating subsidiaries within the Group. Todavia AB is a subsidiary owned directly by the Issuer and has been formed for the sole purpose of holding the warrants issued by the Issuer. Other subsidiaries of the Issuer are operating subsidiaries or subsidiary groups (gaming studios). As of the date of this Prospectus, the Issuer owns 78 per cent. of Nanobit and 91 per cent. of Moofrog, with a right and obligation for the Issuer to acquire 100 per cent. of both companies.

The Group's organisation is concentrated to the Issuer providing professional group management with respect to the Group's game studios. This management framework provides a professional structure in order to guide the operations in the entrepreneurial game-development subsidiaries and to obtain inter-subsidary synergies.

The most important components of the management framework

Professional structure

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

Guided creativity

The Executive 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, develop and publish games.

Synergies

The Group's central management creates synergies, and in particular revenue and costs synergies through, for example, centralised procurement, shared game engines or more efficient marketing. The Group benefits from

expertise in several different areas that create synergies between games and between subsidiaries, as well as knowledge-sharing synergies between subsidiaries. The Group has also developed cutting-edge expertise that provides expert knowledge in various areas such as marketing, "live-ops" and other areas where expert knowledge is applied in many studios.

Business idea and target group

The Group's gaming studios design, produce and market mainly free-to-play games. Free-to-play games enable the Group to develop games in an iterative fashion with a minor initial investment. The free-to-play segment is a data-driven, process-oriented business. The Group develops, tests, iterates and optimises its games in close collaboration with its users. Free-to-play games allow the user access to the game without paying for it. The revenues are generated through users making purchases in order to access new content and features, or by offering in-game advertising throughout the life of the game.

Recurring income, at a low cost, is driven by the ability to retain users over a longer period. The Group's games usually have a long lifecycle, which can be extended through regular updates. Regular updates are made to the games in order to maintain and create new interest among users, so-called "live ops". By actively managing the portfolio and working systematically with live ops across the Group's markets, the Group can increase both retention and revenue generation in the games.

Business model

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

- **Proprietary development and publishing:** Game development is financed internally, which enables retained intellectual property rights and value creation. The investment risk is mitigated by the use of game engines, as the investment per game becomes smaller for every new game released on the same game engine. The revenue model is free-to-play with revenue generation through in-game purchases and advertising. Proprietary development and publishing is the business model most commonly used in the Group's operations.
- **Partnership development and publishing:** Development and publishing are carried out in collaboration with a global publisher, such as Sony or EA, who obtains the intellectual property rights of the game but finances the development, marketing and distribution. The absence of investments in the development, marketing and distribution reduces the risk for the Group while the loss of intellectual property rights limits the upside. The revenue model is based on contracting fees with royalty participation on sold copies.
- **Adaptation and publishing:** Adaptation and publishing do not entail game development, but localised adaptation of games from external developers to meet the requirements of a certain market. The adaptations are attributable to language, graphics and in some cases also the addition of social functions. Revenues are generated through a free-to-play model with in-game purchase options.

Platforms

The Issuer's games are predominantly within the free-to-play segment. Free-to-play games allow players free access to games, as opposed to premium games which must be paid for prior to being played. The free-to-play business model relies upon three different usage levels. The majority of the users are non-paying users, but can still be very dedicated to the game and generate, among other things, revenue through in-game advertising in several of the games. The vast majority of the paying users also spend small amounts for unlocking extra functions or purchasing digital currency to use within the game. The free-to-play model has been successfully applied to the browser game market for years as well as the mobile segment.

The Group is mainly active on and primarily manages games on two platforms: online/browser and mobile. In 2020, online/browser games accounted for approximately 25 per cent. of the Group's net revenue, and mobile games accounted for approximately 74 per cent. of the Group's net revenue.

- **Online/browser:** Online/browser games are 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 the internet.

- **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 on each playing occasion and a lower degree of player engagement. As mobile devices are becoming more powerful, the games have been better adapted and more advanced, which in turn has created loyal players and games with a longer life. As a result, the gaming experience and the revenue potential for mobile games have increased.

Studios

The Group operates through 20 studios: Bytro Labs, Goodgame Studios, Playa Games, OFM Studios and Sandbox in Germany; Coldwood Interactive and Power Challenge in Sweden; Dorado Games in Malta; Kixeye in Canada and the United States; Simutronics, Storm8 and Candywriter in the United States; Super Free in the United States and Singapore; Game Labs in the United States and Ukraine, Babil Games in the United Arab Emirates and Jordan; eRepublik Labs in Ireland and Romania; Imperia Online in Bulgaria; Nanobit³ in Croatia, Hungary and the United Kingdom; Everguild in the United Kingdom and Spain; and Moonfrog⁴ in India and Bangladesh. The Group’s games are distributed globally, although its main markets are the United States, the United Kingdom, Germany, France and the MENA region.

- **Babil Games** primarily focuses on adapting and publishing mobile games for the Arabic speaking population. The Issuer adapts games from external developers to the specific requirements of the Arabic speaking population, including the adaptation of language, graphics and in some cases the addition of 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, and generates revenue through a free-to-play model with in-game purchase options and advertising.
- **Candywriter** develops and publishes mobile casual and mash-up games, and generates revenue primarily from 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 Interactive typically generates revenues by way of contracting fees during game development and through royalties on each sold copy of a game.
- **Dorado Games** develops and publishes browser-based strategy games, and generates revenue through a free-to-play model with in-game purchase options.
- **eRepublik Labs** develops mobile and browser-based strategy games, and generates revenue through a free-to-play model with in-game purchase options.
- **Everguild** develops and publishes cross platform games, with a focus on the digital Collectible Card Games (CCC) genre.
- **Game Labs** develops strategy and action games for PC, such as Ultimate General: Gettysburg, Naval Action and Ultimate General: Civil War.
- **Goodgame Studios** develops mobile and browser-based strategy games, and generates revenue through a free-to-play model with in-game purchase options and advertising.
- **Imperia Online** develops mobile and browser-based strategy games, and generates revenue through a free-to-play model with game purchase options.
- **Kixeye** creates, develops and publishes massively multiplayer online (MMO) real-time strategy games for PC and mobile devices, and generates revenue through a free-to-play model with in-game purchase options.
- **Nanobit** develops and publishes mobile games with a focus on lifestyle and simulation role-playing, targeted at a female audience. Revenue is primary generated through in-game purchase options and advertising.

³ As of the date of the Prospectus, Stillfront owns 78 per cent. of Nanobit.

⁴ As of the date of the Prospectus, Stillfront owns 91 per cent. of Moonfrog.

- **OFM Studios** develops and publishes mobile and browser-based social sports management games, and generates revenue primarily through a free-to-play model with game purchase options.
- **Playa Games** is active within browser-based and mobile games, and generates 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, and generates revenue through a free-to-play model with in-game purchase options.
- **Sandbox** develops and publishes the cross-platform free-to-play Sandbox massive multiplayer online role-playing game (MMORPG), Albion Online.
- **Simutronics** is a multi-platform developer and publisher covering a wide range of genres.
- **Storm8** develops and publishes mobile mash-up games, and generates revenue through a free-to-play model with in-game purchase options and online advertising.
- **Super Free** develops and publishes games within the casual segment, such as Word Collect, Word Nut and Trivia Star. Revenue is generated through in-game purchase options and advertising.
- **Moonfrog** develops and publishes social card and board games, such as Teen Patti Gold and Ludo Club. Revenue is generated through in-game purchase options and advertising.

The table below set outs the Group's net revenue split by the geographical markets in which it operates. The net revenue split is based on the countries in which the subsidiaries have their registered seat.

SEK million	2020	2019
Bulgaria	71	50
Croatia	110	–
United Arab Emirates	425	361
Malta	107	53
Romania	62	62
United Kingdom	3	–
Sweden	23	25
Germany	1,361	1,183
United States	1,829	233
Total	3,991	1,967

Gaming portfolio

The Group has a well-diversified gaming portfolio across a range of genres and platforms, focusing on online games in three genre categories: "Strategy", "Action/RPG/Simulation" and "Mash-up and Casual". None of the Group's games include betting or gambling where one can win money or material prizes. No in-game rewards/prizes are transferable outside the game and players are not allowed to transfer in-game items for monetary purposes. There are elements in some games where players can trade different in-game currencies for rewards in the game. Where applicable, the Group's games comply with the Apple and Google guidelines regarding disclosing the probability of receiving randomised rewards. The Group's active portfolio titles include, among others:

- **Albion Online:** PC-based MMORPG launched in 2017;
- **Battle Pirates:** browser-based post-apocalyptic strategy game launched in 2011;
- **Big Farm: Mobile Harvest:** mobile-based farming strategy game launched in 2017;
- **Bitlife:** mobile-based simulation/role playing game released in 2018;
- **Call of War:** browser-based World War II strategy game launched in 2015;

- **Conflict of Nations:** browser and mobile cross-platform strategy game set in a contemporary scenario launched in 2017;
- **Empire: Four Kingdoms:** mobile-based medieval strategy game launched in 2013;
- **Goodgame Big Farm:** browser-based farming strategy game launched in 2012;
- **Goodgame: Empire:** browser-based medieval strategy game launched in 2011;
- **Hollywood Story:** mobile-based narrative game launched in 2015;
- **Home Design Makeover:** mobile-based home design casual mashup game launched in 2018;
- **Ludo Club:** mobile-based social board game launched in 2017;
- **Nida Harb III:** a mobile contemporary war strategy game launched in 2017;
- **Property Brothers:** mobile-based home design casual mashup game launched in 2019;
- **Shakes & Fidget:** browser and mobile cross-platform fantasy game launched first in 2009;
- **Strike of Nations:** mobile contemporary war strategy game launched in 2018;
- **Trivia Star:** mobile-based word game launched in 2020;
- **WC: Rogue Assault:** mobile-based contemporary war strategy game launched in 2016;
- **Word Collect:** mobile-based word game launched in 2018; and
- **Word Nut:** mobile-based word game launched in 2018.

Intellectual property rights and patent

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

The Issuer's strategy is to register trademarks in relevant jurisdictions for all material game titles.

The Group primarily ensures the right of ownership and its right to use intellectual property through registrations of trademarks and through license agreements.

Vision and financial targets

Vision

The Issuer's vision is to become the leading group of free-to-play games.

Financial targets for the period 2021–2023

Stillfronts growth target is to reach a net revenue of SEK 10 billion by 2023. Growth will be achieved organically as well as through acquisitions.

Stillfronts target for profitability is to reach an adjusted EBIT margin of approximately 35 per cent. The adjusted EBIT margin is defined as EBIT excluding amortisation of PPA items and items affecting comparability, in relation to net revenue. The adjusted EBIT margin may vary quarter to quarter depending mainly on the level of user acquisition and product development.

The net debt/adjusted EBITDA ratio should not exceed 1.5 x. Adjusted EBITDA pro forma is defined as adjusted EBITDA including acquisitions and excluding items affecting comparability for the last twelve months. Stillfront may, however, under certain circumstances, choose to exceed this level during shorter periods of time.

Strategy

In order to bring the Issuer's vision to life, the Group has a strategy of acquiring profitable, low-risk games and studios with global reach, based on the Group's well-proven product (PLEX), growth (HiGS) and market (PuB) strategies.

Product strategy (PLEX)

The Group focuses on:

- a well-diversified product portfolio;
- a long-term gaming experience;
- a technical structure based on proven game engines; and
- providing games across several platforms at once.

Growth strategy (HiGS)

The Group focuses on:

- achieving scalability through organic growth;
- achieving pace through an efficient organisation structure; and
- systematic acquisitions.

Marketing strategy (PuB)

The Group focuses on:

- successfully increasing its ability within publishing and building a strong portfolio of its own brands (PuB).

Acquisition strategy

The Issuer has a well-established pre-screening acquisition process and post-acquisition strategies.

Synergies resulting from the Group's acquisition strategy, and which 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 optimise performance marketing across studios and games, as well as the sharing of technical insights and methods. Out of the Group's 20 studios, a majority are involved in intra-group activities and offer help, skills and experience where it is needed, which forms closer ties between the studios.

Stillfront places great value in retaining and incentivising 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 Issuer, as well as through earn-out structures that may entitle to additional payment for multiple years following the acquisition.

Identification for Advertisers

The Group acquires users on various platforms and distribution channels with the support of a number of third party publishers. Some third party publishers provide distribution channels that rely on tracking information provided by the specific platforms, such as Apple's Identifier for Advertisers (IDFA) on iOS devices or Google Advertising ID (AAID) on Android devices. Advertisers use these tools to track data and identify users (without disclosing personal data) in order to deliver customised advertisements. The data can then be used to identify which app functions a player uses. Accordingly, the Group can use data gathered through IDFA or AAID in order to receive information on players' preferences and interests, and thus be able to develop and customise the games in a way that is appealing for the Group's users, as well as carry out directed marketing actions. With respect to Apple's IDFA, iOS users are able to manually disapply the information, and Apple has announced that they will change the system to the effect that the users will have to consent to the information. This is expected to lower the number of users who choose to provide the IDFA information. If a large number of iOS players choose not to consent to IDFA, it will restrict the ability for certain third party publishers to provide the entire distribution channel offer with the same quality as the specific platform.

Employees

The table below shows the average number of employees in the Group during each period. The average number of employees is based on attendance hours paid by the Group related to normal working hours.

2020	2019	Q1 2021	Q1 2020
896	700	1,113	704

Major shareholders as of 30 April 2021

Shareholder	Total number of shares and votes	Share and votes, %
Laureus Capital GmbH	44,530,690	12.5
Swedbank Robur Fonder	33,970,641	9.5
SEB Fonder	28,176,723	7.9
AMF Pension & Fonder	17,336,767	4.9
Handelsbanken Fonder ¹⁾	14,371,555	4.0
Första AP-fonden	9,728,360	2.7
Man Hay Tam	8,226,480	2.3
Fidelity Investmenst (FMR) ¹⁾	7,110,723	2.0
JP Morgan Asset Management ¹⁾	4,881,467	1.4
TIN Fonder	4,764,610	1.3
<i>Others</i>	<i>184,316,454</i>	<i>51.6</i>
Total	357,414,470	100

1) Shareholding verified as of 31 March 2021.

As far as the Issuer is aware, there is no significant direct or indirect significant ownership or control over the Issuer other than as disclosed in this Prospectus, nor are there any shareholders' agreements or other agreements which could result in a change of control of the Issuer.

Alternative and operational performance measures

In this section, selected financial and operational performance measures that have not been defined or specified in accordance with IFRS (“**Alternative Performance Measures**” or “**APMs**”) are presented. The Issuer assesses that the APMs are used by certain investors, securities analysts, and other stakeholders as a complementary measure of earnings development and financial position. However, the APMs are not necessarily comparable with performance measures from other companies and have certain limitations as an analysis tool. Thus, the APMs should not be considered separately from, or as a substitute for, the Group's financial information prepared in accordance with IFRS.

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Gross profit ¹⁾	2,888	1,461	999	502
Gross profit margin ¹⁾	72%	74%	76%	73%
Operating profit (EBIT) ¹⁾	993	517	253	106
Operating margin (EBIT margin) ¹⁾	25%	26%	19%	15%
Adjusted operating profit (adjusted EBIT) ¹⁾	1,493	645	432	213
Adjusted operating margin (adjusted EBIT margin) ¹⁾	37%	33%	33%	31%
EBITDA ¹⁾	1,553	741	463	204
EBITDA margin ¹⁾	39%	38%	35%	30%
Adjusted EBITDA ¹⁾	1,697	768	498	254
Adjusted EBITDA margin ¹⁾	43%	39%	38%	37%
Cash conversion ratio ¹⁾	0.50	0.29	0.45	0.30

Net debt/Adjusted EBITDA, pro forma ¹⁾	0.9	0.9	1.3	1.2
Adjusted interest coverage ratio, pro forma ¹⁾	18.4	13.5	17.6	27.8
Organic growth ¹⁾	16%	18%	9.5%	10.2%
ARPDau (SEK) ²⁾	2.7	3.9	1.9	3.5
DAU (million) ²⁾	3.8	1.4	7.5	2.2
MAU (million) ²⁾	18.5	5.8	39.4	9.8
MPU (million) ²⁾	0.7	0.2	1.2	0.4

1) Alternative performance measures

2) Operational performance measures

Definitions of alternative performance measures

Alternative Performance Measure	Definition	Purpose
Adjusted EBITDA	EBITDA adjusted by items affecting comparability.	Used to evaluate the underlying profitability and value creation of Stillfront.
Adjusted EBITDA margin	Adjusted EBITDA divided by net revenue.	Used to evaluate the underlying profitability of Stillfront.
Adjusted operating profit (adjusted EBIT)	Operating profit (EBIT) adjusted by items affecting comparability and amortisation of PPA items. PPA items means fair value identified in connection with purchase price analyses.	Used to evaluate the underlying profitability of Stillfront.
Adjusted operating margin (adjusted EBIT margin)	Adjusted EBIT divided by net revenues.	Used to evaluate the underlying profitability and value creation of Stillfront.
Adjusted interest coverage ratio, pro forma	Adjusted EBITDA, pro forma, divided by adjusted financial items the last twelve months. Adjusted financial items mean financial items adjusted for items affecting comparability and interest on earn-out consideration.	Used to assess Stillfront's capability of covering its financial expenses.
Cash conversion ratio	Free cash flow for the last twelve months divided by EBITDA for the last twelve months.	Used to evaluate how efficiently Stillfront converts profit into cash flow.
EBITDA	Operating profit (EBIT) before depreciation, amortisation and write-downs.	Used to evaluate the underlying profitability of Stillfront.
EBITDA-margin	EBITDA divided by net revenues.	Used to evaluate the underlying efficiency and value creation of Stillfront.
Gross profit	Net revenue minus platform fees.	Used to evaluate the underlying profitability of Stillfront.
Gross profit margin	Gross profit divided by net revenues.	Used to evaluate the underlying efficiency and value creation of Stillfront.
Items affecting comparability	Significant income statement items that are not included in the Group's normal recurring operations and which distort the comparison between the periods, including transaction costs for M&A and costs for long-term incentive programs.	Items affecting comparability are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.
Net debt/Adjusted EBITDA, pro forma	Net debt divided by adjusted EBITDA, pro forma, for the last twelve months. Net debt means interest bearing liabilities minus cash and cash equivalents. Contingent liabilities for earnouts are not considered as interest bearing in this context. Adjusted EBITDA pro forma means Adjusted EBITDA, where acquired units are included from the beginning of the period.	Used to determine how many years it would take to repay the company's debt with its current profitability. Included among the financial covenants under Stillfront's revolving credit facility.
Operating profit (EBIT)	Operating profit.	Used to evaluate the underlying profitability of Stillfront.

Operating margin (EBIT-margin)	Operating profit (EBIT) divided by net revenues.	Used to evaluate the underlying profitability and value creation of Stillfront.
Organic growth	Change in consolidated net revenues, excluding the translation impact of changed currency exchange rates and acquisitions. Net revenues in acquired operations are considered as acquired growth during twelve months from the acquisition date.	Organic growth is a measure of the development of the Group's existing operations that management has the ability to influence.

Definitions of operational performance measures

Operational performance measures	Definition	Purpose
ARPPDAU	Average revenue per daily active user in the active portfolio. Revenue refers to Bookings. Bookings means revenue before changes in pre-paid revenues, including deposits from paying users, in-game advertising revenue and other gaming-related revenue.	Used to assess the underlying development of Stillfront's games
DAU	Daily active unique users.	Used to assess the underlying development of Stillfront's games
MAU	Monthly active unique users.	Used to assess the underlying development of Stillfront's games
MPU	Monthly paying users.	Used to assess the underlying development of Stillfront's games

Reconciliation tables for alternative performance measures

Gross profit

SEK million	2020	2019	Q1 2021	Q1 2020
Net revenue	3,991	1,967	1,319	691
Platform fees	-1,103	-506	-320	-189
Gross profit	2,888	1,461	999	502

Gross profit margin

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Net revenue	3,991	1,967	1,319	691
Gross profit	2,888	1,461	999	502
Gross profit margin	72%	74%	76%	73%

Operating margin (EBIT-margin)

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Net revenue	3,991	1,967	1,319	691
Operating profit (EBIT)	993	517	253	106
Operating margin (EBIT-margin)	25%	26%	19%	15%

Adjusted operating profit (adjusted EBIT)

SEK million	2020	2019	Q1 2021	Q1 2020
Operating profit (EBIT)	993	517	253	106
Items affecting comparability	144	28	35	50
Amortisation of PPA items	357	101	144	56
Adjusted operating profit (adjusted EBIT)	1,493	645	432	213

Adjusted operating margin (adjusted EBIT-margin)

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Net revenue	3,991	1,967	1,319	691
Adjusted operating profit (adjusted EBIT)	1,493	645	432	213
Adjusted operating margin (adjusted EBIT-margin)	37%	33%	33%	31%

EBITDA

SEK million	2020	2019	Q1 2021	Q1 2020
Operating profit (EBIT)	993	517	253	106
Amortisation on PPA items	357	101	144	56
Other amortisation and depreciation	203	123	66	42
EBITDA	1,553	741	463	204

EBITDA-margin

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Net revenues	3,991	1,967	1,319	691
EBITDA	1,553	741	463	204
EBITDA-margin	39%	38%	35%	30%

Adjusted EBITDA

SEK million	2020	2019	Q1 2021	Q1 2020
EBITDA	1,553	741	463	204
Items affecting comparability	144	28	35	50
Adjusted EBITDA	1,697	768	498	254

Adjusted EBITDA-margin

SEK million (unless otherwise stated)	2020	2019	Q1 2021	Q1 2020
Net revenues	3,991	1,967	1,319	691
Adjusted EBITDA	1,697	768	498	254
Adjusted EBITDA-margin	43%	39%	38%	37%

Cash conversion ratio

SEK million	2020	2019	Q1 2021 (LTM)	Q1 2020 (LTM)
Cash flow from operations last 12 months	1,251	484	1,338	544
IFRS 16 lease repayment last 12 months	-34	23	-39	-24
Acquisition of intangible assets last 12 months	-444	-248	-489	-283
Free cash flow last 12 months	773	213	810	236
EBITDA last 12 months	1,553	741	1,811	790
Cash conversion rate	0.50	0.29	0.45	0.30

Net debt/Adjusted EBITDA, pro forma

SEK million (unless otherwise stated)	2020	2019	Q1 2021 (LTM)	Q1 2020 (LTM)
Adjusted EBITDA	1,697	768	1,941	868

EBITDA, acquired companies	355	133	434	683
Adjusted EBITDA, pro forma	2,052	901	2,375	1,551
Bond loans	1,602	1,085	1,602	1,602
Liabilities to credit institutions	1,217	79	2,739	657
Cash and cash equivalents	-1,005	-342	-1,225	-472
Net debt	1,814	822	3,116	1,787
Net debt/Adjusted EBITDA, pro forma	0.9	0.9	1.3	1.2

Adjusted interest coverage ratio, pro forma

SEK million (unless otherwise stated)	2020	2019	Q1 2021 (LTM)	Q1 2020 (LTM)
Adjusted EBITDA, pro forma	2,052	901	2,375	1,551
Financial items	-193	-64	-234	-55
Items affecting comparability regarding financial items	30	-14	30	-14
Interest on earn-out consideration affecting financial items	52	11	69	13
Adjusted financial items	-112	-67	-135	-56
Adjusted interest coverage ratio, pro forma	18.4	13.5	17.6	27.8

Organic growth

%	2020	2019	Q1 2021	Q1 2020
Change through acquisitions	89%	25%	90%	52%
Change through currency movements	-2%	5%	-8.9%	3.4%
Organic growth	16%	18%	9.5%	10.2%
Total net revenue growth	103%	48%	91%	65%

Items affecting comparability

SEK million	2020	2019	Q1 2021	Q1 2020
Costs				
Transaction costs	-114	-20	-23	-43
Long term incentive programmes	-19	-	-1	-1
Other costs	-10	-7	-11	-6
Total items affecting comparability in Operating profit (EBIT)	-144	-28	-35	-50
Net financial items				
Positive revaluation of earnouts	-	80	-	-
Negative revaluation of earnouts	-30	-66	-	-
Total items affecting comparability in net financial items	-30	14	-	-

THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

Board of Directors

The Board of Directors of the Issuer consists of six members elected by the General Meeting of Shareholders.

Jan Samuelson

Born 1963. Chairman of the Board of Directors since 2018.

Education and experience: B.Sc. Finance, Stockholm School of Economics, Sweden. LL.M Master of Laws, Stockholm University, Sweden.

Current assignments: Board member and Chairman of the Board of Sdipotech AB (publ), Sdip A AB and Sdip Holdings AB. Board member of Saltå Kvarn Aktiebolag, Independia Invest AB, Independia AB and Business Partner Sweden AB.

Previous assignments (last five years): Board member and Chairman of the Board of Resurs Bank Aktiebolag, Resurs Holding AB (publ), Saltå Kvarn Aktiebolag and Tigerholm Group AB. Board member of Todavia AB, Bostadsrättsföreningen August Blanche, RSF Invest Holding AB, RSF Invest AB and Axholmen AB.

Katarina Bonde

Born 1958. Board member since 2018.

Education and experience: M.Sc. Physics and Mathematics, KTH Royal Institute of Technology, Sweden. Mathematics and Social history, Salem College, North Carolina, United States. Economics, Stockholm University, Sweden. Marketing Director of Dun & Bradstreet Software Inc. VP Sales and Marketing of Timeline Inc.

Current assignments: Chairman of the Board of Reason Studios Aktiebolag, Stratsys AB, FlatFrog Laboratories AB, Mentimeter AB, and Propellerhead Intressenter AB. Board member of Mycronic AB (publ.), Nepa AB, Seafox AB, ACQ Bure AB and Ysäter AB.

Previous assignments (last five years): CEO and Chairman of the Board of UniSite Software. CEO of Captura Software Inc. CEO of Programmator Industri AB. Chairman of the Board of Opus Group AB (publ), IMINT Image Intelligence AB, Aptilo Networks AB, JonDeTech Sensors AB (publ), JonDeTech Licensing AB, and Allihooopa AB. Board member of Sjätte AP-fonden, Nordax Group Holding AB, Nordax Group AB, Nordax Bank AB (publ), Nordax Holding AB, Avega Group AB, Fingerprint Cards AB, IMINT Incentive AB, Micro Systemation AB (publ), Carlsquare AB, Aptilo Holding AB and Image Systems AB.

Erik Forsberg

Born 1971. Board member since 2018.

Education and experience: M.Sc. Business and Administration, Stockholm School of Economics, Sweden. CFO Intrum AB, CFO Cision AB and Business Area CFO, Group Treasurer and Business Controller of EF Education.

Current assignments: Board member of Kindred Group Plc and Enento Group Plc. Board member and owner of Deltalite AB. Chairman of the Board of Collectia Group (Care Bidco Aps).

Previous assignments (last five years): CEO and Board member of Lndrff International AB. Board member of Opus Group AB (publ), Intrum Justitia International Aktiebolag, Intrum Holding AB, Intrum Justitia Invest AB, Lindorff Sverige Holding AB, Indif AB, Avarda AB and 1234 Invest AB.

Birgitta Henriksson

Born 1963. Board member since 2017.

Education and experience: Bachelor's degree, Economics and Business Administration, Uppsala University, Sweden. Partner of Fogel & Partners.

Current assignments: Board member of Sdipotech AB (publ), Bostadsrättsföreningen Beckbrännaren Mindre 27 and Ideella föreningen Storasyster with company name Storasyster.

Previous assignments (last five years): Partner of Brunswick Group.

Ulrika Viklund

Born 1981. Board member since 2017.

Education and experience: B.Sc., Mittuniversitetet, Sweden. Systems Development and Project Management, Amsterdam University of Applied Sciences, Netherlands. General Manager of Magine Consumer Group Global AB and several assignments within the Magine group. Director International Growth, Spotify.

Current assignments: CEO and Board member of Spira Global AB. Board member of Idea2Innovation Sweden AB and E14 Invest AB. Board member of House Be AB, House Be i Västernorrland AB, House Be i Åre AB, House Be i Umeå AB and Adgie Consulting AB.

Previous assignments (last five years): CEO of film2home AB. Chairman of the Board of House Be i Åre AB. Board member of My Academy Sweden AB, CancerRehab Fonden, God El i Sverige AB and Åre Corporate Finance AB. Deputy managing director of House Be AB.

Dr. Kai Wawrzinek

Born 1976. Board member since 2019.

Education and experience: Staatsexamen within law, University of Heidelberg and University of Kiel and Doctor of Law, Heidelberg University, Germany.

Current assignments: CEO of Laureus Capital GmbH.

Previous assignments (last five years): CEO of Altigi GmbH (Goodgame Studios).

Executive Management

The Executive Management consists of a team of eight persons.

Jörgen Larsson

Born 1964. CEO (Chief Executive Officer) since 2015.

Education and experience: Master of Science in Industrial Engineering from Linköpings Tekniska Högskola, Sweden. Founder of the Group in its current form.

Current assignments: –

Previous assignments (last five years): CEO and Board member of Mind Improvement Group Scandinavia AB. Founder and CEO of Mind AB. Chairman of the Board of Abalon Holding AB. Board member of Idecap AB, Idecap Intressenter AB, Bothnia Bay Capital AB and Sontagh & Larsson Investment Strategy AB. Board assignments within the Group.

Marina Andersson

Born 1972. Head of M&A since 2019.

Education and experience: Master of Science in Business Administration, Stockholm University, Sweden. Master's degree in language, Russian Herzen State Pedagogical University, Russia. Director M&A/Corporate Finance, Deloitte.

Current assignments: –

Previous assignments (last five years): Board assignments within the Group.

Johanna Bergsten

Born 1983. General Counsel since 2020.

Education and experience: Master of Laws (LL.M.), Uppsala University, Sweden. Group Legal Counsel of Evolution Gaming Group (publ).

Current assignments: Board assignments within the Group.

Previous assignments (last five years): –

Alexis Bonte

Born 1976. COO (Chief Operational Officer) since 2019.

Education and experience: BA Honors Degree International Business & Languages, European Business School, London, Great Britain. Global Leadership and Public Policy, Harvard University, United States. Transformational Leadership Program, University of Oxford / Saïd Business School, Great Britain. Venture Partner, Atomico.

Current assignments: Director, Laika Games S.L. Generalcom S.A., Bonte Capital S.R.L., Ibercapital Ltd. and SCI Luso Sptini. Non-Executive Member of Foundation Counsel, Tezos Foundation. Independent Board Member, Ohbibí.

Previous assignments (last five years): Board member of Bossa Studios. Director, Zonga Music S.A. and Trilulilu.

Phillip Knust

Born 1988. CPO (Chief Product Officer) since 2019.

Education and experience: Data processing, EPS Lübeck, Germany. Computer Science, TH Lübeck, Germany. Studio Head of Altigi.

Current assignments: –

Previous assignments (last five years): –

Clayton Stark

Born 1969. CTO (Chief Tech Officer) since 2020.

Education and experience: Master of Science in Mechanical Engineering, Camosun College, Canada. Studio Head of Kixeye.

Current assignments: –

Previous assignments (last five years): –

Andreas Uddman

Born 1979. CFO (Chief Financial Officer) since 2019.

Education and experience: Chartered Management Accountant (ACMA). Master in Management, EADA Business School, Spain. M.A. in Politics, University of Glasgow, Scotland. CFO of Qliro AB.

Current assignments: Board assignments within the Group.

Previous assignments (last five years): –

Sofia Wretman

Born 1977. Head of IR, Communications and Sustainability since 2018.

Education and experience: Master of Political Science, Stockholm University, Sweden. Head of IR & Communication, Alimak Group AB.

Current assignments: –

Previous assignments (last five years): –

Auditors

Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, SE-113 21 Stockholm, Sweden) has been the Issuer's auditor since the Annual General Meeting held on 9 May 2019 and was re-elected at the Annual General Meeting held on 11 May 2021 for the period until the end of the Annual General Meeting 2022. Nicklas Kullberg (born 1970) is the auditor in charge. Nicklas Kullberg is an authorized public accountant and member of FAR, the professional institute for authorised public accountants in Sweden.

Business address

The address for all Board members and members of the Executive Management is c/o the Issuer, Sveavägen 9, 5tr, SE-111 57 Stockholm, Sweden.

Conflicts of interest

Apart from certain Board members and members of the Executive Management holding shares, warrants and/or employee stock options in the Issuer, as far as the Board of Directors is aware, there are no conflicts of interest between the duties of the Board members or the members of the Executive Management in respect of the Issuer and their private interests and/or other duties.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

General corporate information

The Issuer's legal and commercial name is Stillfront Group AB (publ) with Swedish Reg. No. 556721-3078 and Legal Entity Identified (LEI) Code 529900SYKCO4GYBTIJ54. The registered office is Sveavägen 9, 5tr, SE-111 57 Stockholm, Sweden. The telephone number of the Issuer is +46 708 116 430. The Issuer was incorporated in Sweden on 2 November 2006 and registered with the Swedish Registration Office (*Bolagsverket*) on 22 January 2007. The Issuer is a public limited liability company (*publikt aktieföretag*) regulated by the Swedish Companies Act (*aktieföretagslagen (2005:551)*). The Issuer's website is www.stillfront.com. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Pursuant to the Articles of Association, the share capital in the Issuer shall be not less than SEK 18,900,000 and not more than SEK 75,600,000, and the number of shares shall be not less than 270,000,000 shares and not more than 1,080,000,000. As of the date of this Prospectus, the Issuer's registered share capital was SEK 25,197,289.81 and its registered number of shares was 359,961,283 shares. Each share has a quota value of SEK 0.07.

The Issuer's shares are currently admitted to trading on Nasdaq First North Premier Growth Market. However, on 21 May 2021, the Issuer submitted an application for the admission to trading of its shares on Nasdaq Stockholm's main market. The expected first day of trading in the Issuer's shares on Nasdaq Stockholm is 26 May 2021.

Information about the Prospectus

The Prospectus has been approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the SFSA) as a 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 SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus is valid for twelve (12) months from the date hereof, provided that it is completed by any supplement pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Authorisation and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds and the performance of its obligations relating thereto. The issuance of the Initial Bonds on 19 May 2021 was authorised by a resolution of the Board of the Issuer on 6 May 2021 and this Prospectus was approved by the SFSA on 24 May 2021.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Material agreements

Other than the 2018/2022 Bonds, the 2019/2024 Bonds and the agreements described below, neither the Issuer nor any other Group Company has concluded any material agreements not entered into in the ordinary course of its business which could result in a Group Company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders.

Revolving credit facility agreement

In December 2020, the Issuer entered into an agreement for a multicurrency revolving credit facility in the amount SEK 3.75 billion (the "RCF") with DNB Sweden AB, Nordea Bank Abp, filial i Sverige and Swedbank

AB (publ) as original lenders and the Issuer and Stillfront Midco AB as borrowers and guarantors (the “**Facility Agreement**”). The RCF is set to mature in December 2023; however, the Facility Agreement includes an extension option for the Issuer, subject to the lenders’ approval. The purpose of the RCF was to refinance the outstanding amounts of the revolving credit facility agreement entered into in January 2020 and to use the borrowed amounts towards working capital and general corporate purposes of the Group (including acquisitions permitted under the Facility Agreement and payment of transaction costs related thereto).

The Facility Agreement includes customary representations, which were made on the date of signing of the Facility Agreement and on certain subsequent dates. Moreover, the Facility Agreement includes certain financial covenants as well as customary undertakings and restrictions (subject to certain agreed exceptions and qualifications) relating to, *inter alia*, compliance with laws and regulations, negative pledge, acquisitions, mergers, disposals, intellectual property, leverage and interest cover ratios, granting of loans and guarantees, restrictions for subsidiaries to incur debt, prohibition of change of business and the maintaining of insurance.

Overdraft facility agreement

In January 2021, the Issuer entered into an overdraft facility agreement in an amount of SEK 200 million with Swedbank AB (publ), maturing 12 months after the agreement was entered into. The overdraft facility is connected to the Issuer’s group account with Swedbank AB (publ) and the agreement was entered into on Swedbank AB’s (publ) standard documentation for account credits in group accounts.

Legal and arbitration proceedings

The Group is involved in disputes and other legal proceedings from time to time in the ordinary course of business, including in connection with minor claims mainly concerning alleged infringements of intellectual property rights and trademark infringements. The Group has not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the previous 12 months which are deemed may have, or have had in the recent past, significant effects on the Issuer’s or the Group’s financial position or profitability.

Certain material interests

DNB Markets, a part of DNB Bank ASA, filial i Sverige, Nordea Bank Abp and Swedbank AB (publ) are Joint Bookrunners in conjunction with the issuance of the Bonds. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. In particular, it should be noted that DNB Sweden AB, Nordea Bank Abp, filial i Sverige and Swedbank AB are lenders under certain credit facilities with the Group as borrower. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Trend information

There has been no material adverse change in the prospects of the Issuer since 20 April 2021, being the date of the last published audited financial statements of the Issuer.

There has been no significant change in the financial performance of the Group since 31 March 2021, being the end of the last financial period for which financial information has been published to the date of this Prospectus.

Significant changes since 31 March 2021

On 7 May 2021, the Issuer entered into an agreement to acquire 100 per cent. of the shares in Game Labs. The initial purchase price amounted to USD 32.5 million on a cash and debt free basis. The acquisition closed on the same date. Of the initial purchase price, approximately USD 9.75 million was paid through 981,813 newly issued shares in the Issuer and the rest was paid in cash.

Apart from what is stated above and the issuance of the Bonds, there have been no significant changes in the financial position of the Group since 31 March 2021, being the end of the last financial period for which interim financial information of the Issuer has been published.

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus:

Annual Report for 2019

<https://www.stillfront.com/en/wp-content/uploads/sites/2/2020/04/stillfront-stillfront-publishes-annual-sustainability-report-for-2019-200423.pdf>

as regards the audited consolidated financial information on
 page 53 (*Consolidated statement of comprehensive income*)
 pages 54–55 (*Consolidated statement of financial position*)
 page 56 (*Consolidated statement of changes in equity*)
 page 57 (*Consolidated statement of cash flows*)
 pages 63–107 (*Notes*)
 pages 109–117 (*Auditor's report*)

Annual Report for 2020

<https://www.stillfront.com/en/wp-content/uploads/sites/2/2021/04/stillfront-stillfront-publishes-annual-sustainability-report-for-2020-210420.pdf>

as regards the audited consolidated financial information on
 page 59 (*Consolidated statement of comprehensive income*)
 pages 60–61 (*Consolidated statement of financial position*)
 page 62 (*Consolidated statement of changes in equity*)
 page 63 (*Consolidated statement of cash flows*)
 pages 69–122 (*Notes*)
 pages 124–132 (*Auditor's report*)

2021 Q1 Interim Report

<https://www.stillfront.com/en/wp-content/uploads/sites/2/2021/04/stillfront-stillfront-groups-interim-report-january-march-2021-210505.pdf>

as regards the unaudited consolidated financial information for the period from 1 January–31 March 2021 (including comparable numbers for the period 1 January–31 March 2020) on
 page 12 (*Income statement in summary, Group*)
 pages 13 (*Balance sheet in summary, Group*)
 page 14 (*Shareholders' equity in summary, Group*)
 page 15 (*Cash flow in summary, Group*)

Information in the above documents that is not incorporated by reference is either deemed by the Issuer not to be relevant for Holders or is covered elsewhere in the Prospectus. The Issuer's consolidated financial statements for the financial years 2019 and 2020 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*) and audited by the Issuer's auditor. The interim consolidated financial statements for the period 1 January 2021–31 March 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting and have been reviewed by the Issuer's auditors. Unless otherwise stated, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Financial information pertaining to the financial years 2019 and 2020 has been derived from the Group's audited annual report for 2020 (including comparative figures for the financial year 2019). Financial information pertaining to the three-month period ended 31 March 2020 and 2021, respectively, has been derived from the Group's unaudited interim report for the period 1 January–31 March 2021 (including comparative figures for the interim period 1 January–31 March 2020).

Documents on display

Copies of the following documents are electronically available at the Issuer's website, www.stillfront.com, for the term of this Prospectus:

- the Issuer's certificate of registration and Articles of Association; and
- the Finance Documents.

TERMS AND CONDITIONS

STILLFRONT GROUP



**TERMS AND CONDITIONS FOR
STILLFRONT GROUP AB (PUBL)
MAXIMUM SEK 2,000,000,000
SENIOR UNSECURED FLOATING RATE BONDS 2021/2025
ISIN: SE0015961065**

SELLING RESTRICTIONS

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

PRIVACY NOTICE

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

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

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

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

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

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

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

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time) as applied by the Issuer in preparing its annual consolidated financial statements.

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

“**Advance Purchase Agreement**” means (i) an advance or deferred purchase agreement entered into by a Group Company if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) 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 (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**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 Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bond**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which is governed by and issued 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 (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

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

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

- (a) 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;
- (b) 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;

- (c) 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
- (d) 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:
 - (i) 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;
 - (ii) any entity to be acquired with the proceeds from the new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period;
 - (iii) 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
 - (iv) 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.

“**Capital Securities**” means any deeply subordinated bonds issued by the Issuer and which (i) ranks junior in right of payment to any present or future claims under the Bonds and all other unsubordinated obligations of the Issuer and (ii) are, as of the date of the issuance, treated as equity (in whole or in part) in the Issuer’s consolidated financial statements.

“**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**” has the meaning set forth in Clause 10.1.4.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“**De-listing Event**” means the occurrence of an event whereby (i) all shares in the Issuer cease to be listed on a Regulated Market or an MTF 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.

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Bonds in which (i) an owner of Bonds is directly registered or (ii) an owner’s holding of Bonds is registered in the name of a nominee.

“**Derivative Transaction**” has the meaning set forth in item (j) 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;
- (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.

“**Event of Default**” means an event or circumstance specified in Clause 12.1.

“**Exceptional Items**” means any exceptional, one-off, non-recurring or extraordinary items to the extent these are one off and non-recurring in nature (including but not limited to items affecting comparability (IAC) as set out in the relevant financial statements).

“**Existing Bonds**” means the SEK 600,000,000 senior unsecured floating rate bonds 2018/2022 with ISIN SE0011897925 and the SEK 1,000,000,000 senior unsecured floating rate bonds 2019/2024 with ISIN SE0012728830.

“**Final Maturity Date**” means 19 May 2025 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 any Finance Leases constituting Net Interest Bearing Debt; 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 and any other document designated by the Issuer and the Agent as a Finance Document.

“**Finance Lease**” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

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

- (a) moneys borrowed or raised (including under any bank financing or Market Loan (but excluding any Capital Securities));
- (b) the amount of any liability under any Finance Lease;
- (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 or otherwise being classified as borrowing under the Accounting Principles;
- (e) any Derivative Transaction (and, when calculating the value of any Derivative Transaction, only the mark to market value shall be taken into account and if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) for the purpose of measuring the Incurrence Test only, any amount finally determined but unpaid under any Earn-Out Agreement (to the extent (i) accounted for as indebtedness in the accounts of any Group Company pursuant to IFRS and (ii) such amount is not to be settled in shares or other equity instruments); and
- (h) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och 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 Clause 10.1.1(a) and (b).

“**First Call Date**” means the date falling twenty-four (24) months after the First Issue Date or, to the extent such day is not a Business Day, the first following day that is a Business Day.

“**First Issue Date**” means 19 May 2021.

“**Force Majeure Event**” has the meaning set forth in Clause 22.1.

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

“**Holder**” means the person who is registered on a Securities Account as direct registered owner (*direktregistrerad ägare*) or nominee (*förvaltare*) with respect to a Bond.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clauses 14.1 (*Request for a decision*), 14.2 (*Convening a Holders’ Meeting*) and 14.4 (*Majority, quorum and other provisions*).

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

- (a) the Leverage Ratio is less than 3.00:1;
- (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.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

“**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 8.1 to 8.3.

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

“**Interest Payment Date**” means 19 May, 19 August, 19 November and 19 February of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 19 August 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date (or a shorter period if relevant), and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant), or (iii) in respect of Subsequent Bonds, the period from (but excluding) the Interest Payment Date falling immediately prior to their issuance up to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a floating rate of 3-month STIBOR plus 2.75 per cent. *per annum*. For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

“**Issue Date**” means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Stillfront Group AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556721-3078.

“**Issuing Agent**” means, initially, Swedbank AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**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 (i) that the Bonds are not admitted to trading on a Regulated Market within sixty (60) days following the First Issue Date or the date of issuance of any Subsequent Bonds (as applicable), or (ii) following a successful listing and subsequent de-listing of the Bonds from a Regulated Market, the Bonds are not re-listed by the date falling sixty (60) days from the date of the de-listing.

“**Market Loans**” means bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, an MTF or an organised trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**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; and
- (b) 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 the total assets (the book value of the total consolidated assets of the Group as shown in the most recent annual Financial Report of the Group),

in each case as determined by reference to the latest annual audited consolidated Financial Report of the Group and a list of which shall be provided to the Agent at its reasonable request.

“**MTF**” means a multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag, with Swedish Reg. No. 556420-8394.

“**Net Finance Charges**” means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting (i) 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), (ii) interest paid on any cash or cash equivalent investment of the Group, and (iii) any unrealised gains or losses on any financial instruments.

“**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 and Financial Indebtedness related to any agreements under which a Group Company leases office space (*kontorshyresavtal*) or other premises or sites) less cash and cash equivalents of the Group according to the latest Financial Report or per the relevant testing date if measured in relation to the Incurrence Test (as applicable), in accordance with the Accounting Principles.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Bonds, minus (i) in respect of the Initial Bonds, the 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 2.3.

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

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

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

- (b) in the form of the Existing Bonds;
- (c) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds;
- (d) related to any agreements under which a Group Company leases office space (*kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of business of such Group Company;
- (e) owed by a Group Company to another Group Company;
- (f) in the form of counter-indemnity obligations under any bank guarantees or letters of credit issued by a bank or financial institution and drawings under any such bank guarantees or letters of credit, which in each case is provided in the ordinary course of business in relation to customers, other business partners, governmental bodies or authorities on terms and conditions customary for counter-indemnity obligations;
- (g) incurred in respect of bank guarantees in relation to undertakings incurred in any Group Company's ordinary course of business;
- (h) incurred in respect of parent company guarantees in relation to Subsidiary undertakings;
- (i) under any pension and tax liabilities incurred in the ordinary course of business;
- (j) 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 any Permitted Debt (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) ("**Derivative Transaction**");
- (k) 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) days from the completion of the relevant acquisition;
- (l) arising under any Earn-Out Agreement;
- (m) incurred in the ordinary course of business under Advance Purchase Agreements;
- (n) 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;
- (o) incurred under any Permitted Financing;
- (p) incurred under any Permitted Revolving Credit Facility;
- (q) incurred under any Permitted Working Capital Facility; and
- (r) not permitted by items (a) to (q) above, in an aggregate amount not at any time exceeding SEK 50,000,000 and incurred in the ordinary course of the Group's business (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

“Permitted 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/or 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 3,750,000,000, 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 connection with a redemption of the Bonds, the Existing Bonds or any other Market Loan issued by the Issuer in full and constituting a first priority pledge over a bank account in the name of the Issuer for the purpose of securing the redemption of the Bonds, Existing Bonds or such other Market Loan issued by the Issuer (as applicable);
- (c) provided in relation to any Finance Lease entered into by a Group Company in the ordinary course of the Group’s business;
- (d) provided in relation to a Derivative Transaction and not consisting of Security interests in shares in any Group Company;
- (e) incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity has provided Security, provided that the debt secured with such Security constitutes Permitted Debt in accordance with item (k) 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 (k) of the definition of “Permitted Debt”;
- (f) provided in relation to any Permitted Financing, Permitted Revolving Credit Facility and/or Permitted Working Capital Facility;
- (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) arising under any counter-indemnity or guarantee referred to in paragraphs (f) to (h) of the definition of Permitted Debt;
- (j) provided in relation to the Permitted Basket and not consisting of security interests in shares of any Group Company; and
- (k) not otherwise permitted above which secures debt in an amount not exceeding SEK 50,000,000 (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).

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 13 (*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 9 (*Redemption and repurchase of the Bonds*).

“**Reference Banks**” means banks reasonably selected by the Issuing Agent.

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU 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 11.1.1.

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

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Swedish Financial Benchmark Facility (or the replacing administrator or calculation agent) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Day;
- (c) if no rate as described in (b) 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 the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or

- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), in respect of which such person, 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.

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

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company in connection with any acquisition or disposal not prohibited under these 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 Clauses 14.1 (*Request for a decision*), 14.3 (*Instigation of Written Procedure*) and 14.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

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

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

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

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

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

- 1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Holders and the Agent.

2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 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 nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The minimum permissible investment in connection with the issue of the Initial Bonds is SEK 1,250,000.
- 2.4 The Total Nominal Amount of the Initial Bonds as at the First Issue Date is SEK 1,500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- 2.5 Provided that (i) no Event of Default is continuing or would result from the relevant issue of Subsequent Bonds and (ii) the Incurrence Test (including such issue of Subsequent Bonds on a *pro forma* basis) is met, the Issuer may, on one or several occasions, issue Subsequent Bonds. 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 maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,000,000,000, unless a consent from the Holders is obtained in accordance with Clause 14.4.3. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.6 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.7 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 regulation to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 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.

3. USE OF PROCEEDS

- 3.1 The Issuer shall use the Net Proceeds from the issue of the Initial Bonds for general corporate purposes of the Group (including but not limited to refinancing, investments, acquisitions and earn-out payments).

- 3.2 The Issuer shall use the Net Proceeds from the issue of any Subsequent Bonds for general corporate purposes, including but not limited to refinancing, investments, acquisitions and earn-out payments.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuer shall provide to the Agent, as soon as possible but no later than 9.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
- (a) duly executed copies of the Finance Documents and the Agency Agreement;
 - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Bonds, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
 - (c) copies of the articles of association and certificate of incorporation of the Issuer; and
 - (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so.
- 4.2 The Issuer shall provide to the Agent, as soon as possible but no later than 9.00 a.m. two (2) Business Days prior to the Issue Date (or such later time as agreed by the Agent) in respect of any 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 any documents necessary in connection therewith;
 - (b) copies of the articles of association and certificate of incorporation of the Issuer; and
 - (c) a Compliance Certificate evidencing 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.
- 4.3 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 15 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. one (1) Business Day prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).
- 4.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.3, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.3, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

5. BONDS IN BOOK-ENTRY FORM

- 5.1 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. The Debt Register shall constitute conclusive evidence of the persons who are Holders and their holdings of Bonds.

- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*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.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 5.4 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Holder or third party unless necessary for such purposes.

6. RIGHT TO ACT ON BEHALF OF A HOLDER

- 6.1 If any person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Holder or a successive, coherent chain of powers of attorney or authorisations starting with the Holder and authorising such person.
- 6.2 A Holder may issue one or several powers of attorney or other authorisations 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.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 6.4 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (*förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

7. PAYMENTS IN RESPECT OF THE BONDS

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Holder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Holder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effectuated by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 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 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

- 7.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the issue of Initial Bonds or any Subsequent Bonds, 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.

8. INTEREST

- 8.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 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.
- 8.3 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).
- 8.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. REDEMPTION AND REPURCHASE OF THE BONDS

9.1 Redemption at maturity

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

9.2 Purchase of Bonds by the Issuer

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

9.3 Voluntary total redemption (call option)

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full:
- (a) any time prior to, but excluding, the First Call Date, at an amount per Bond equal to the amount per Bond payable pursuant to Clause 9.3.1(b) (for the avoidance of doubt, including the accrued but unpaid Interest), plus the amount of all remaining scheduled Interest payments on the Bond until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to but excluding the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given);

- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Bond equal to 101.375 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date at an amount per Bond equal to 100.9625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date at an amount per Bond equal to 100.55 per cent. of the Nominal Amount, together with accrued but unpaid Interest; or
- (e) any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.275 per cent. of the Nominal Amount, together with accrued but unpaid Interest,

provided that if the redemption is financed (in whole or in part) with one or several new Market Loans, the Issuer may redeem the Bonds from and including the date falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid interest.

- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Holder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

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

- 9.4.1 Upon the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event, each Holder shall during a period of fifteen (15) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, a De-listing Event or Listing Failure Event, as the case may be, pursuant to Clause 10.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be 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. However, such 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 the case may be.
- 9.4.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the period during which the right pursuant to Clause 9.4.1 may be exercised, the Redemption 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 shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The Redemption Date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.4.1.
- 9.4.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.

10. INFORMATION TO HOLDERS

10.1 Information from the Issuer

- 10.1.1 The Issuer shall make the following information available to the Holders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year, 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;
 - (b) as soon as the same become available, but in any event within two (2) months after the end of each relevant interim period, its quarterly unaudited consolidated reports, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
 - (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- 10.1.2 The Issuer shall prepare the Financial Reports in accordance with the Accounting Principles.
- 10.1.3 The Issuer shall immediately 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, 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. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.
- 10.1.4 The Issuer shall (i) in connection with the incurrence of any new Financial Indebtedness (including any Subsequent Bond Issue), an increase of the maximum commitment under any Permitted Revolving Credit Facility or Permitted Working Capital Facility or payment of any Restricted Payment, which requires that the Incurrence Test is met, and (ii) within twenty (20) days following a request by the Agent, submit to the Agent a compliance certificate ("**Compliance Certificate**"), substantially in the form set out in Schedule 1 (*Form of Compliance Certificate*) to these Terms and Conditions, signed by the CEO, CFO, general counsel 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. 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.
- 10.1.5 The Issuer shall by way of publication on its website share information on the aggregate Nominal Amount of Bonds held by Group Companies from time to time.

10.2 Information from the Agent

- 10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2.2, the Agent is entitled to disclose to the Holders any document, information, 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 (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 12.5 and 12.6).
- 10.2.2 If a committee representing the Holders' interests under the Finance Documents has been appointed by the Holders in accordance with Clause 14 (*Decisions by Holders*), the members of such

committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Holders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 Information among the Holders

Subject to applicable regulations, the Agent shall promptly upon request by a Holder forward by post any information from such Holder to the Holders 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 it in doing so (including a reasonable fee for its work). The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

10.4 Availability of Finance Documents

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

11. GENERAL UNDERTAKINGS

11.1 Distributions

11.1.1 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 Capital Securities, or (v) make any other similar distributions or transfers of value (*värdeöverföringar*) to the Issuer's, or its Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”).

11.1.2 Notwithstanding the above, a Restricted Payment may be made (A) by any Group Company to another Group Company, provided that if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis, (B) by the Issuer in respect of any interest under any Capital Securities, (C) by the Issuer in respect of any principal under any Capital Securities, to the extent it is financed by way of issuance of other Capital Securities or equity of any kind, or is permitted pursuant to sub-paragraph (E) below, (D) by the Issuer pursuant to any management incentive programme, (E) 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) made pursuant to this sub-paragraph (E) 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 (F) 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.

11.2 Admission to trading

11.2.1 The Issuer intends to admit the Initial Bonds 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 thirty (30) days after the First Issue Date. The Issuer shall in any event ensure 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.

11.2.2 The Issuer intends to admit any Subsequent Bonds to trading on the relevant Regulated Market within thirty (30) days, and shall in any event ensure that they are so admitted to trading within sixty (60) days, after the relevant Issue Date. If any Subsequent Bonds are issued prior to the admission of trading of the Initial Bonds, such Subsequent Bonds shall be listed on the same date as the Initial Bonds.

11.2.3 Following an admission to trading the Issuer shall use its best efforts to maintain it for as long as any Bonds are outstanding, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. The Bonds are however not required to be admitted to trading on a Regulated Market from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

11.3 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.

11.4 Financial indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any new Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, or increase the maximum commitment under any Permitted Revolving Capital Facility or Permitted Working Capital Facility, provided, however, that each of the Group Companies have a right to incur, maintain and prolong Financial Indebtedness, and increase the maximum commitment under any Permitted Revolving Capital Facility or Permitted Working Capital Facility, which constitute Permitted Debt.

11.5 Negative pledge

The Issuer shall not, and shall procure that none of its 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.

11.6 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 upon the reasonable request of the Agent, provide the Agent with any information relating to any such disposal being made.

11.7 Dealings with related parties

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

11.8 Compliance with laws, etc.

The Issuer shall (and the Issuer shall procure that each other Group Company will) (i) comply in all material respects with all laws and regulations to which it may be subject, 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, if failure to so comply, obtain or maintain in accordance with this subparagraph (ii) has or is reasonably likely to have a Material Adverse Effect.

11.9 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 Company;
- (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 (in each case to the extent commercially reasonable and only in such jurisdictions the relevant Group Company deems relevant);
- (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), has or is reasonably likely to have a Material Adverse Effect.

11.10 Undertakings relating to the Agency Agreement

11.10.1 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.

11.10.2 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.

11.11 CSD related undertakings

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

12. ACCELERATION OF THE BONDS

12.1 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 shall, if made by several Holders, be made by them jointly) or following an instruction given pursuant to Clause 12.7, on behalf of the Holders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) **Non-payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five (5) Business Days from the due date.

(b) **Other obligations**

The Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant person 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 payment default and cross acceleration**

Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (c) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 50,000,000, or (ii) the Financial Indebtedness in question is owed to another Group Company.

(d) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to its Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) of any Material Group Company;
- (ii) the appointment of a liquidator, administrator or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any step analogous to items (i)- (ii) above is taken in any jurisdiction in relation to any Material Group Company.

(e) **Insolvency**

- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors 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.

(f) **Creditors' process**

Any enforcement of Security, expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 50,000,000 and is not discharged within sixty (60) days.

(g) **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.

(h) **Mergers and demergers**

- (i) The Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity; or
- (ii) a Material Group Company merges or demerges into a company which is not a Group Company, provided that such merger or demerger has a Material Adverse Effect.

(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 11.6 (*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 (h) 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.

- 12.2 The Agent may not accelerate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided on a Holders Meeting or by way of a Written Procedure to waive such Event of Default (temporarily or permanently).
- 12.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default or any event which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 12.4 The Issuer is only obligated to inform the Agent according to Clause 12.3 if informing the Agent would not conflict with any statute or the Issuer's registration contract with the relevant Regulated Market. 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 12.3.
- 12.5 The Agent shall notify the Holders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 12.6 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Holders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 12.6 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be

so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Holders in accordance with Clause 14 (*Decisions by Holders*).

- 12.7 If the Holders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Holders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.8 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.9 In the event of an acceleration of the Bonds in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount equal to the call option price set out in Clause 9.3.1 as applicable considering when the acceleration occurs, together with accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

- 13.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Holders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Holders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 16.2.5, and (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 14.4.12, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
 - (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, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

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

- 13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a), such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a).
- 13.3 Funds that the Agent receives (directly or indirectly) on an account as designated by the Agent in connection with the acceleration of the Bonds constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Holders and the other interested parties.

The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, 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. The notice from the Issuer shall specify the amount to be paid, the Redemption Date and also the Record Date on which a person shall be registered as a Holder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7.1 shall apply.

14. DECISIONS BY HOLDERS

14.1 Request for a decision

- 14.1.1 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.
- 14.1.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request 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.
- 14.1.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Holders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 14.1.4 The Agent shall not be responsible for the content of a notice for a Holders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 14.1.5 Should the Agent not convene a Holders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.1.3 being applicable, the Issuer or the Holder(s) requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Holder(s) with the information available in the Debt Register in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Holder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 14.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Holders' Meeting in accordance with Clause 14.2 (*Convening of Holders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 14.3 (*Instigation of Written Procedure*). After a request from the Holders pursuant to Clause 16.4.3, 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 14.2. The Issuer shall inform the Agent before a notice for a Holders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 14.1.7 Should the Issuer or any Holder(s) convene a Holders' Meeting or instigate a Written Procedure pursuant to Clause 14.1.5 or 14.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may

further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Holder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

14.2 Convening of Holders' Meeting

- 14.2.1 The Agent shall convene a Holders' Meeting by way of notice to the Holders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.2.2 The notice pursuant to Clause 14.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Holder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 14.2.3 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days after the effective date of the notice.
- 14.2.4 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.

14.3 Instigation of Written Procedure

- 14.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Holders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.3.2 A communication pursuant to Clause 14.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Holder in order to be entitled to exercise voting rights, (ii) 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 (iii) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days and not longer than twenty (20) Business Days from the effective date of the communication pursuant to Clause 14.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 14.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 14.3.1, when consents from Holders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14.4.2 and 14.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.4.2 or 14.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

14.4 Majority, quorum and other provisions

- 14.4.1 Only a Holder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Holder*) from a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 14.2.2, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 14.3.2, 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 Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 14.4.2 The following matters shall require the 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 14.3.2:
- (a) a reduction of the Interest, Interest Rate or the Nominal Amount to be paid by the Issuer;
 - (b) an amendment of any payment day for principal or Interest;
 - (c) a change of issuer;
 - (d) a mandatory exchange of the Bonds for other securities; or
 - (e) an amendment of the provisions in this Clause 14.4.2 or 14.4.3.
- 14.4.3 Any matter not covered by Clause 14.4.2 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 14.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 15.1(a) or (c)), an acceleration of the Bonds.
- 14.4.4 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 14.4.3.
- 14.4.5 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, by telephone conference or by any other means prescribed by the Agent pursuant to Clause 14.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 14.4.6 If a quorum exists for some but not all of the matters to be dealt with at a Holders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 14.4.7 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 14.2.1) or initiate a second Written Procedure (in accordance with Clause 14.3.1), as the case may be, provided that the person(s) who initiated the procedure for Holders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Holders' Meeting or second Written Procedure pursuant to this Clause 14.4.7, the date of request of the second Holders' Meeting pursuant to Clause 14.2.1 or second Written Procedure pursuant to Clause 14.3.1, as the case may be, shall be

deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 14.4.5 shall not apply to such second Holders' Meeting or Written Procedure.

- 14.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 14.4.9 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.
- 14.4.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a 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.
- 14.4.11 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 the Issuer or the other Holders.
- 14.4.12 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.
- 14.4.13 If a decision is to 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) Affiliates as per the Record Date for voting, irrespective of whether such person is a Holder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- 14.4.14 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Holder on the date referred to in Clause 14.4.1(a) or 14.4.1(b), as the case may be, and also be 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.

15. AMENDMENTS AND WAIVERS

- 15.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend and/or waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Holders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority;
 - (d) is necessary for the purpose of listing the Bonds on the relevant Regulated Market, as applicable, provided such amendment or waiver does not materially adversely affect the rights of the Holders; or

- (e) has been duly approved by the Holders in accordance with Clause 14 (*Decisions by Holders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Holders.
- 15.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 10.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 15.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 15.3 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.

16. THE AGENT

16.1 Appointment of the Agent

- 16.1.1 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 (*företagsrekonstruktion*) or bankruptcy (*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.
- 16.1.2 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), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 16.1.3 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.
- 16.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 16.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

16.2 Duties of the Agent

- 16.2.1 The Agent shall represent the Holders in accordance with the Finance Documents.
- 16.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent is never acting as an advisor to the Holders or the Issuer. Any advice or opinion from the Agent does not bind the Holders or the Issuer.
- 16.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

- 16.2.4 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 as a group 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.
- 16.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Holders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 16.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents 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 13 (*Distribution of proceeds*).
- 16.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 16.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 16.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 10.1.4 and as otherwise agreed between the Issuer and the Agent, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 10.1.1(a) - (b) or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Incurrence Test. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 16.2.9.
- 16.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 16.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Holders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 16.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 16.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance

with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 16.2.13 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 the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 16.2.12.

16.3 Liability for the Agent

- 16.3.1 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 or consequential loss.

- 16.3.2 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 provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.

- 16.3.3 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.

- 16.3.4 The Agent shall have no liability to the Issuer or the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with the Finance Documents.

- 16.3.5 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.

16.4 Replacement of the Agent

- 16.4.1 Subject to Clause 16.4.6, 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.

- 16.4.2 Subject to Clause 16.4.6, 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.

- 16.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice 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.

- 16.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.

- 16.4.5 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.

- 16.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) 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, and (ii) the period pursuant to Clause 16.4.4 having lapsed.
- 16.4.7 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.
- 16.4.8 In the event that there is a change of the Agent in accordance with this Clause 16.4, 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 and the Agency Agreement. 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.

17. THE ISSUING AGENT

- 17.1 The Issuer shall when necessary appoint an 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. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 17.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Bonds.
- 17.3 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.
- 17.4 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 any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

18. THE CSD

- 18.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 18.2 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 admission to trading of the Bonds on the relevant Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

19. NO DIRECT ACTIONS BY HOLDERS

- 19.1 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 or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 19.2 Clause 19.1 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 16.1.2), 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 of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 16.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 16.2.13 before a Holder may take any action referred to in Clause 19.1.
- 19.3 The provisions of Clause 19.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event, 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.

20. PRESCRIPTION

- 20.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been prescribed and has become void.
- 20.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

21. COMMUNICATIONS AND PRESS RELEASES

21.1 Communications

- 21.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent or Issuing Agent, shall be given at the address registered with the Swedish Companies Registration Office (*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 the email address 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 specified on its website www.stillfront.com on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Holders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if

practically possible) or letter for all Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.

- 21.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent 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 21.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 21.1.1, or, in case of email, when received in readable form by the email recipient.
- 21.1.3 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to Clause 10.1.1(a) and (b) may be in Swedish.
- 21.1.4 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.

21.2 Press releases

- 21.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 9.3 (*Voluntary total redemption*), 10.1.3, 14.2.1, 14.3.1, 14.4.14 and 15.2 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 21.2.2 In addition to Clause 21.2.1, 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.

22. FORCE MAJEURE

- 22.1 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.
- 22.2 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.
- 22.3 The provisions in this Clause 22 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

23. GOVERNING LAW AND JURISDICTION

- 23.1 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.
- 23.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

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