

*This prospectus was approved by the Swedish Financial Supervisory Authority on 5 October 2021. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.*



# **LEOVEGAS AB (publ)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF**

**SEK 200,000,000**

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS**

**2020/2023**

**ISIN: SE0015242854**

**5 October 2021**

# IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by LeoVegas AB (publ), Swedish reg. no. 556830-4033 (“**LeoVegas**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of the Issuer’s SEK 200,000,000 senior unsecured callable floating rate bonds 2020/2023 with ISIN SE0015242854 (the “**Bonds**” or the “**Bond Issue**”), issued on 10 September 2021 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”, on the corporate bond list of Nasdaq Stockholm Aktieföretag (“**Nasdaq Stockholm**”). The Bonds have been issued under a framework of SEK 800,000,000, where SEK 500,000,000 was issued on 10 December 2020 and admitted to trading on Nasdaq Stockholm on 25 January 2021. Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus. The Issuer may at one or more occasions after the Issue Date issue further Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Bond Issues equals SEK 800,000,000.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or distributed within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, any references to “**SEK**” refer to Swedish Kronor.

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

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

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Issuer’s website ([www.leovegasgroup.com](http://www.leovegasgroup.com)).

# TABLE OF CONTENTS

---

RISK FACTORS .....	4
THE BONDS IN BRIEF.....	14
DESCRIPTION OF THE ISSUER AND THE GROUP.....	18
OWNERSHIP STRUCTURE .....	23
THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS.....	24
SUPPLEMENTARY INFORMATION.....	27
FINANCIAL INFORMATION .....	28
TERMS AND CONDITIONS FOR THE BONDS .....	30
ADDRESSES .....	77

# RISK FACTORS

---

*In this section, a number of risk factors are illustrated, both risks pertaining to the Issuer and the Group's market risks, business risks, legal and regulatory risks, financial risks and risks relating to the Bonds. The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. Each of the risk factors set forth below describe risks which, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Issuer and the Bonds.*

*The manner in which the Issuer, the Group or the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as "low", "medium" or "high" and the magnitude of negative impact if it would occur as "low", "medium" or "high". Irrespective of the probability or magnitude of negative impact stated in relation to each risk factor, all risk factors included below have been assessed by the Issuer to be material and specific to the Issuer, the Group and the Bonds in the meaning of Regulation (EU) 2017/1129.*

*The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality.*

## **RISKS SPECIFIC AND MATERIAL TO THE ISSUER AND THE GROUP**

### **I. Market risks**

#### *Negative publicity and risks related to brand reputation*

The success of the Group is partly dependent on upholding the strength of its brands' reputation. The Group has a portfolio of well-known brands such as LeoVegas, Royal Panda, GoGoCasino and Expekt (which was acquired by the Group on 19 May 2021), which together with a good reputation in the online gambling market present a competitive advantage. Both the development of new and existing customer relationships and future success will be dependent on the Group's ability to establish new brands as well as uphold the reputation of and further develop its brands. Part of LeoVegas's marketing strategy is to cooperate with affiliates or advertising networks in order to generate traffic to the Group's websites, see the risk factor "*Dependency on external parties to conduct its operations*". In connection with such marketing activities LeoVegas's brands may be exposed in contexts that are unfavourable for the Group, which could have a negative impact on the Group's brands and public image.

Some people are at risk of developing problems with their gambling. Regulation of responsible gambling is clearly outlined in the gambling licences LeoVegas possess. If regulations are not followed the consequence could be fines or in worst case a revoke of the licence. Such events can give rise to additional costs for and/or potential loss of revenues but also decrease the trust for LeoVegas and cause negative publicity.

The gambling industry is subject to public debate and controversy. Declining societal acceptance of gambling in general could result in a decrease in customers and/or affect the political policies on gambling and result in e.g. stricter legislation, a ban on marketing or similar restrictions and/or bans that would have an adverse effect on the whole gambling industry and thereby the Group's operations. The Group is dependent on its reputation as a renowned gambling provider and its work to prevent gambling addiction and support and protect its customers from developing an addiction. The Group's reputation may also be damaged by, e.g. governmental sanctions due to withdrawal of licences or compliance disputes and potential investigations regarding anti-money laundering, see the risk factors "*Licence requirements, legislation and applicable taxes*" and "*Anti-money laundering and fraud*" below. Fines are

also increasingly common in the gambling industry and handed out for various kinds of breaches related to local regulations.

Should any of the above risks materialise, it could have a material adverse effect on the Group's operations, financial position and earnings. The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Competition and innovation*

The Group faces considerable competition related risks since the gambling market is made up of a large number of actors, and the barriers of market entry are relatively low. The market for online and mobile gambling is experiencing strong growth but at the same time the necessity for a high pace of innovation is increasing as well. There are also changes in customer behaviour and preferences over time that the Group needs to adapt to. A challenge is, therefore, to follow the changes in customer behaviour and to adapt the services to meet the customers' demands in order to avoid losing business and revenues to the Group's competitors. LeoVegas needs to ensure that it continuously works with product innovation and new functions and upgrades to its technical platform in order to not lose its market position. Approximately 30 per cent. of the Group's employees work with tech and product development. If new technology or higher technical standards would become the norm in the gambling industry, this could force the Group to invest considerable resources to upgrade its current platform and systems. Furthermore, there is a risk that an upgrade of current technology or an implementation of new technology could contain errors or other defects, which could cause operational disruptions and loss of customers to its competitors. Should the Group fail to adapt to the rapidly moving gambling market in terms of innovation, it could result in a loss of customers to its competitors, which in turn could have an adverse effect on the Group's operations, financial position and earnings.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

#### *Macroeconomic environment and Covid-19*

The Group is active in the online gambling market and is affected by the general macroeconomic situation in the markets in which it operates. The Group's revenues are to a large extent driven by its customers' disposable income. In an economic downturn or a situation of lower economic activity in general, there is a risk that the demand for the Group's services declines as customers may prioritise their spending to basic needs instead of leisure activities such as online gambling.

Covid-19 increases such macroeconomic risks and a protracted virus outbreak could particularly adversely affect the sports betting business segment. More specifically, as a result of the Covid-19 pandemic, sport events initially got cancelled or postponed, which resulted in a sharp drop in revenue from the Group's sports betting business segment. Furthermore, the Covid-19 pandemic has given rise to temporary rules and regulations in certain markets. Sweden for example, has imposed a temporary SEK 5,000 deposit limit per week (per player and licence), which is expected to remain in effect at least until 14 November 2021.

If the pandemic continues over a prolonged period of time or further viruses emerge that give rise to similar effects, the adverse impact on the global economy could deepen and result in adverse effects on the Group's operations, financial position and earnings as well as overall future prospects. The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **II. Risks related to the Group's business activities**

### *Dependency on external parties to conduct its operations*

In the course of its business the Group is dependent on suppliers of technical solutions, game suppliers, internet service providers, payment providers and providers of IT services to be able to conduct its operations and ensure that the Group offers uninterrupted and high-quality services to its customers. For its sports betting offering in particular, the Group is highly dependent on one specific third-party supplier for the setting of odds and other betting-related services. If one or more of these external parties were to fail to meet its obligations to the Group, LeoVegas's online operations could be impacted, which could harm LeoVegas's brands, the Group's reputation in the market, result in a loss of revenue, affect customer loyalty long-term, and by extension also the Group's operations, financial position and earnings.

Furthermore, as a part of its marketing strategy, the Group has entered into agreements with affiliates which direct traffic (*i.e.* potential customers and revenue) to the Group's websites. These affiliates typically serve as comparison sites between various online casinos and receive payment, either a percentage of the Group's share of revenue, or a fixed fee for each new customer, for the new customers they generate to the websites. There is a risk that these affiliates are unsuccessful in their marketing, terminate the agreements with the Group and/or direct traffic to the Group's competitors instead.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

### *Risks related to IT systems*

As an online gambling provider, the Group is highly dependent on the functionality, stability, performance and integrity of its IT-systems, such as its platform and IT infrastructure. The Group's proprietary technical platform is made up of a number of advanced sub-systems which together handle the operations of online games, conversion and thereby revenue optimisation, payments and management of retention. This technology requires maintenance and supervision and substantial investments. At the same time developments in the IT-area are unfolding rapidly, which entails a need for continuous innovation and development in order to *e.g.* maintain and attract new customers. Today LeoVegas runs one proprietary technology platform for all of its wholly-owned brands. Furthermore, LeoVegas collects and maintains large volumes of internal data and personal data, including credit card details and other information which could reveal the identity of a natural person. LeoVegas is dependent on advanced technology such as licenced encryption and authentication systems to ensure a secure transmission of confidential information and personal data.

The Group's dependency on advanced technology and its IT systems in order to conduct its business exposes the Group to a number of risks including:

- disruptions or shut-downs of the Group's websites due to *e.g.* hacker attacks, viruses, distributed denial-of service (DDoS) attacks, technological break-downs or similar causing delays or inability for customers trying to visit the Group's websites;
- inability to acquire or develop technology that is competitive and meets the customers' expectations;
- that external IT service providers fail to supply services and technology to the satisfaction of the Group; and
- failure to properly protect personal data and other confidential information, see the risk factor *Processing of personal information and data* below.

An operational disruption, technical problem, failure to develop new IT systems, or a leak of personal data or other confidential information could thus have a material negative impact on the Group's operations, earnings, financial position and future prospects. The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Ability to attract and retain talented employees*

The success of LeoVegas is dependent on its ability to recruit employees with a high level of technical competence and experience from the online gambling industry, and to retain people with extensive knowledge of related technology. However, there is a lack of certain competences in the gambling industry labour market generally, such as IT personnel. This leads to risks for high staff turnover and difficulties to retain certain key employees and the replacement of such employees could be costly and time consuming. The loss of certain of its key employees or a failure by the Group to recruit, motivate, develop and retain highly skilled employees could lead to higher labour costs, weaker results or other disruptions in the Group's operations, development and successful growth of its business, which in turn could adversely affect the Group's operations, financial position and earnings.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

#### *Acquisition of companies*

Expansion through strategic and complementary acquisitions is a part of LeoVegas's expansion strategy. To date, the Group has completed seven acquisitions, including the acquisition of Expekt which was completed and integrated on 19 May 2021 and one divestment. The acquisition of another company involves a number of operational and financial risks, *e.g.* the possibility that the acquired company will not achieve expected financial targets, particularly in relation to purchase price, or that the Group is unable to integrate it properly into its existing business. If acquired companies underachieve in these aspects the returns on the Group's investment, in terms of dividends and capital gain, might be lower than expected which would have a negative effect on LeoVegas's future earnings. There is also a risk that LeoVegas will not identify appropriate target companies, or that a potential target company is deemed too expensive for various reasons, *e.g.* because of high competition in the bidding process, which could have a negative effect on the Group's future earnings as it would not be able to carry through with those potentially profitable investments.

Furthermore, the purchase price that the Group pay for the acquisition of companies may include an earn-out component meaning that the seller is entitled to additional compensation if the acquired company achieve certain financial or operational targets. There is a risk that disputes arise regarding the amount of the earn-out payment. Even if the outcome of such a dispute is favourable for the Group, it could be costly and result in diversion of management's attention from the core business. For example, the Group's acquisition of Royal Panda in 2017 included an earn-out component, the outcome of which depended on a number of variables concerning Royal Panda's financial performance and a dispute between LeoVegas and the seller arose regarding the final calculation of the earn-out payment.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Dependency on secure and swift external payment solutions*

In order for customers to participate in the Group's online games they are required to register and open an account with the Group. In order for customers to be able to deposit money into their accounts, the Group needs to have payment solutions in place that suit their customers' needs and preferences. Payment solutions and customer preferences vary in different countries and between customers of different ages, which requires that LeoVegas's technical platform is adapted to various payment solutions and adapted to the local markets. Technical standards and solutions differ between countries and deposits can be made in different currencies such as EUR, SEK and GBP, which are the most important currencies for the Group. Customers also increasingly demand that the process for withdrawing money from their accounts is swift. If the Group fails to offer the payment solutions and withdrawal methods preferred by existing and potential

customers there is a risk that the customer will use the services provided by the Group less frequently or not at all.

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

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

### **III. Legal and regulatory risks**

#### *Licence requirements, legislation and applicable taxes*

Gambling is overall strictly regulated by law and all gambling activities are in principle subject to licence requirements. To be successful it is imperative that the Group has a deep understanding of applicable regulation and invest in compliance. There is currently no international regulatory framework for online gambling and the Group is thus dependent on maintaining its licences, permits and certifications in several jurisdictions, which could make it difficult and costly for the Group to comply with all the necessary requirements. There is also a risk that the Group's interpretation of applicable laws and regulations may deviate from the relevant authorities' and/or the adjudicators' in the jurisdictions where the Group operates, which could result in legal costs and/or sanctions or withdrawn licences. Historically, the Group has received fines on four occasions from authorities in the UK, the Netherlands and Italy where the penalties have ranged from EUR 50,000 to GBP 600,000 for breaches of the Group's licences. Furthermore, in April 2021, the Group received a sanction fee of SEK 2,000,000 from the Swedish Gambling Authority. The Group has appealed the fine and the matter is, as of the date hereof, currently pending. Also, at the date hereof, a tax audit relating to Royal Panda for the period prior to LeoVegas' acquisition is ongoing. The audit is still in its initial stages and the outcome and magnitude of the audit is at this time uncertain.

LeoVegas's subsidiary LeoVegas Gaming Plc is based in Malta and is licensed and regulated by the Malta Gaming Authority. In addition to its licence in Malta, LeoVegas Gaming Plc has a gambling licence in Sweden, UK, Denmark, Italy and Spain and a sports betting licence in Ireland. In addition, LeoVegas has a sports betting licence and a casino licence in the German state of Schleswig Holstein. Nationwide regulation was implemented in Germany in July 2021. In the Netherlands, the authorities have decided to introduce a local licence system, which is expected to take effect in the end of 2021, but most operators will be launching their services in 2022. The gaming tax has been set at 29 per cent. plus an additional 2 per cent. fee. Also, the province of Ontario, Canada, is conducting preparations to regulate its gaming market. Ontario makes up approximately 40 per cent. of Canada's total population. LeoVegas is one of several operators that is participating in the discussions on how such regulation may be structured. In June 2021, Canada eliminated its federal ban on sports betting for individual matches, which the Group estimates show that Ontario is moving in the direction to regulate its gaming market.

At present, largely under its Maltese licence, LeoVegas can offer and market gambling within the EU without country-specific licences as long as the jurisdictions in question do not have any regulations that require local licences, such as the UK and Sweden. The Maltese gambling licence requires that LeoVegas continuously meets certain requirements, such as that the Group's operations maintain detailed verification processes with respect to its customers, and that the Group conducts activities to counter gambling addiction, corruption, money laundering and other unlawful activity. If the Group is unable to obtain or retain necessary licences and/or permits, it could be time-consuming, or even impossible, to renew such



existing licences and permits or to apply for new licences and permits and it could also result in a diversion of management's attention from existing core business.

The regulation for online gambling is continuously changing in different geographical markets. Since most of LeoVegas's revenue is generated from customers in Europe, the legal developments in the EU has the greatest significance for existing operations, even though developments outside of the EU are also important. The legal landscape has undergone considerable changes in the past years and is expected to continue to do so in the future. New stricter laws and regulations and/or stricter interpretations of existing laws and regulations are constantly being implemented and approximately 10 per cent. of the Group's employees are currently working with matters related to regulatory compliance. New regulation and legislation, both within and outside the EU, regarding *e.g.* wager levels, marketing, restrictions, increased taxes, requirements as to technical standards, and requirements as to the geographical location of the Group's servers could affect the Group's operations. For example, new regulation in Germany with strict product limitations, a high gaming tax and a skewed competitive situation is having a negative effect on the Group. The Group's revenue generated on the German market decreased by 81 per cent. during the second quarter 2021 compared with the second quarter of 2020. Revenue in Germany accounted for only 4 per cent. of the Group's total revenue during the second quarter 2021.

Furthermore, since the gambling market in all the jurisdictions in which the Group operates are highly regulated and to some extent politically controversial there is a risk that regulators in the future imposes further and more strict regulation or even complete bans on all online gambling generally. Given the large number of new regulation, there is also a risk that the Group fails to keep itself updated with new regulation in the jurisdictions where the Group operates and unintentionally breaches applicable rules and regulations.

In addition to corporate tax, the Group also pay gambling taxes and VAT in numerous jurisdictions. Several markets on which the Group is active, including Germany and the Netherlands, have or are in the process of introducing new local gambling-related taxes, and the rate of such taxes are in some cases yet to be determined and could be higher than expected having a negative impact on the Group's results. Moreover, in some jurisdictions, gambling related taxes are not clearly defined in local law and subject to interpretation and management's judgment, which adds uncertainty to *e.g.* the size of the Group's tax payments.

Should any of the above risks materialise, it could have a material adverse effect on the Group's operations, financial position and earnings. The Issuer considers that the probability of the above risks occurring is *high*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

#### *Anti-money laundering and fraud*

The Group handles a large number of financial deposits and payments within the ordinary course of business and is therefore exposed to risks relating to money laundering and fraud. In particular when it comes to anti-money laundering (AML) measures. The Group has its internal procedure and routines handling fraud and AML and on top of that banks, and other financial institutions have their policies, routines and actions. The Group reports transactions that are suspected to be associated with criminal activity to relevant authorities. Payments to customers and deposits from customers are carefully scrutinized and are only effected if certain requirements are met. There is a risk that the Group fails to detect money laundering, fraudulent activities or any other criminal actions which could lead to fines and sanctions being imposed by authorities. The Group is subject to audits related to anti-money laundering and licence requirements by authorities in all of the Group's markets and have in the past been subject such audits. The outcome of these audits are difficult to predict and there is a risk that the Group will be found to be in breach of applicable anti-money laundering regulation, which could lead to fines, sanctions or even the loss of necessary licences.

Furthermore, there is a risk that the Group will be obliged to refund the transaction in the event the Group becomes subject to fraudulent activities, such as if a bank or credit card is used by an unauthorised third party. If any of these risks were to materialise it would have an adverse effect on the Group's operations, earnings, financial position and future prospects.

The Issuer considers that the probability of the above risks occurring is *high*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Processing of personal information and data*

LeoVegas processes a large volume of personal data in a number of different jurisdictions, mainly in connection with customers registering and opening accounts on the Group's websites, but also in connection with the processing of employee information, such as for example payroll routines and other matters involving the Group's employees. In the course of this processing of personal data it is highly important that registration and processing are conducted in compliance with applicable laws including the EU General Data Protection Regulation (EU 2016/679) ("**GDPR**"), which was adopted by the EU and took effect on 25 May 2018. For example, a strict requirement, according to GDPR, is that the customer is informed about the processing of personal data and that this processing is conducted in a way that is not incompatible with the purpose for which the personal data was obtained. The GDPR stipulates stricter sanctions for companies that do not comply with the regulation, which could include administrative fines of up to the higher of EUR 20,000,000 or 4 per cent. of a company's total turnover for the preceding fiscal year.

There is a risk that the interpretations and measures that LeoVegas has taken to ensure and maintain confidentiality and integrity with respect to personal data prove to be insufficient or in some other respect are not in compliance with applicable laws in the jurisdictions in which LeoVegas conducts its operations. There is also a risk that relevant supervisory authorities will apply or interpret the GDPR requirements differently, which could make it hard for LeoVegas to formulate principles for the processing of personal data in a uniform manner for the entire Group, which in return could result in higher costs and require more resources. If LeoVegas fails to process personal data in accordance with applicable regulation or if LeoVegas were to be exposed to hacker attacks or similar which entails that the Group breaches applicable data processing legislation, it could have a negative effect on the Group's operations, financial position and earnings and could also harm the Group's reputation.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **RISKS SPECIFIC AND MATERIAL TO THE BONDS**

### **I. Risks related to the nature of the Bonds**

#### *Refinancing risk*

The Group's ability to successfully refinance the Bonds is dependent upon the conditions of the capital markets and the Group's financial position at the time such refinancing is required or desirable, including at the time of exercise of a voluntary redemption or mandatory repurchase of Bonds. In the event the Issuer is unable to refinance the Bonds or other outstanding debt, or if such financing can only be obtained on unfavourable terms, this could have a significant adverse effect on the Issuer's ability to repay the principal of the Bonds at maturity or upon an early redemption or repurchase of Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

#### *Dependency on subsidiaries*

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries and associated entities. Therefore, in order *e.g.* to make payments under the Bonds, the Issuer is dependent on the receipt of dividends or financing from its subsidiaries. However, the Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, rules on financial assistance in the relevant jurisdictions in which the subsidiaries are incorporated and the terms of relevant loan agreements entered into by such subsidiaries.

Should the value of the business conducted in the subsidiaries decrease, and/or should the Issuer for any other reason not receive sufficient income from its subsidiaries, the investors' ability to receive payment under the Terms and Conditions may be adversely affected.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Unsecured obligations*

The Bonds constitute unsecured debt obligations of the Issuer. If the Issuer would be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Issuer for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment *pro rata* with other unsecured creditors.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Credit risk*

Investors in the Bonds assume a credit risk towards the Group. The Issuer's ability to service its debt under the Bonds and the payments to Bondholders under the Terms and Conditions is dependent upon the performance of the Group's operations and financial position. The Group's financial position is affected by several factors, some of which have been mentioned above. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions,

investments or capital expenditures, selling assets, restructuring its debt or seeking additional equity capital. There is a risk that the Group will not be able to effect any of these remedies on satisfactory terms or at all. Another aspect of credit risk is that a decline in the financial position of the Group may reduce the prospects of the Group to receive debt financing at the time of maturity of the Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

#### *Interest rate risks and benchmarks*

The value of the Bonds depends on several factors one of the most significant over time being the level of market interest. The Bonds bear interest at a floating rate of 3 month STIBOR plus a margin and the interest of the Bonds is determined two business days prior to the first day of each respective interest period. Hence the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest level is to a high degree affected by factors outside of the Group's control.

The determining of certain interest rate benchmarks, such as STIBOR has been subject to regulatory changes, the most comprehensive of which is the adoption and implementation of the Benchmark Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has been applicable. However there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, such as STIBOR, it may have negative effects for the bondholders.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **II. Risks related to the admission of the Bonds to trading on a regulated market**

### *Admission to trading*

The Issuer has the intention and shall use its best efforts to ensure that the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or another regulated market within thirty (30) calendar days after the issue date for the Bonds and the Issuer shall in any event ensure that such Bonds admitted to trading within sixty (60) calendar days after the issue date. However, there is a risk that the Bonds will not be admitted to trading within the intended time frames or at all. If the Issuer fails to procure listing within sixty (60) calendar days after the issue date for the Bonds, investors holding Bonds on an investment savings account (Sw. *ISK* or *IS-konto*) will no longer be able to hold the Bonds on such account, thus affecting such investor's tax situation. Furthermore, a failure to procure such listing within sixty (60) calendar days after the issue date will constitute an event of default under the Terms and

Conditions, which could result in the Bonds being accelerated prior to maturity which could adversely affect the Bondholders' recovery under the Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

#### *Liquidity risks and secondary market*

Considering that the nominal amount of each Bond is relatively high (SEK 1,250,000), there is a risk that the market for trading in the Bonds will be illiquid even if the Bonds are admitted to trading. This may result in that the Bondholders being unable to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds, if they are admitted for trading. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

# THE BONDS IN BRIEF

---

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

## General

---

Issuer .....	LeoVegas AB (publ), Swedish reg. no. 556830-4033.
Resolutions, authorisations and approvals .....	The Issuer’s board of directors resolved to issue the Bonds on 2 September 2021.
The Bonds offered .....	SEK 200,000,000 in an aggregate principal amount of senior unsecured callable floating rate bonds due 10 December 2023.  On the date of this Prospectus, bonds in the total aggregate amount of SEK 700,000,000 have been issued under the Terms and Conditions.
Nature of the Bonds .....	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ).
Number of Bonds .....	160. As of the date of this Prospectus, 560 Bonds have been issued under the Terms and Conditions.
ISIN .....	SE0015242854.
Issue Date .....	10 September 2021.
Price.....	All Bonds issued on the Issue Date have been issued at an issue price of 103.00 per cent. of the Nominal Amount.
Interest Rate.....	Interest on the Bonds is paid at a rate equal to the sum of (a) three (3) months STIBOR, plus (b) 550 basis points <i>per annum</i> . Interest will accrue from, but excluding, the Issue Date.
Use of benchmark.....	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to STIBOR. As of the date of this Prospectus, the administrator (being Swedish Financial Benchmark Facility) does not appear in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the regulation (EU) 2016/1011 (the Benchmark Regulation).
Interest Payment Dates .....	Quarterly in arrears on 10 March, 10 June, 10 September and 10 December each year (with the first Interest Payment Date for the Bonds issued on the Issue Date being on 10 December 2021 and the last Interest Payment Date being the Final Redemption Date, 10 December 2023). Interest will accrue from, but excluding, the Interest Payment Date falling immediately prior to the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

Final Redemption Date.....	10 December 2023.
Nominal Amount.....	The initial nominal amount of each Bond is SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds was SEK 1,250,000.
Denomination .....	The Bonds are denominated in SEK.
Status of the Bonds.....	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except for obligations mandatorily preferred by regulation applying to companies generally.
Use of Proceeds .....	The Net Proceeds of the Bond Issue shall be used to finance general corporate purposes of the Group, including acquisitions and transaction costs.

## Call Option

---

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

## Put Option

---

Put Option.....	Upon the occurrence of a Change of Control Event or a Listing Failure Event, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of sixty (60) days following a notice from the Issuer of the relevant event, in accordance with Clause 9.4 ( <i>Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)</i> ) of the Terms and Conditions.
Change of Control Event.....	A Change of Control Event means the occurrence of an event or series of events whereby (a) the shares of the Issuer cease to be listed on Nasdaq Stockholm or any Regulated Market replacing Nasdaq Stockholm, or (b) any person or group of persons acting together gains control over the Issuer and where "control" means (i) controlling, directly or indirectly, more than fifty (50.00) per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.
Listing Failure Event .....	A Listing Failure Event means a situation where (a) the Initial Bonds are not admitted to trading on the corporate bond list on Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) calendar days from the First Issue Date or (b) that any Subsequent Bonds are not admitted to trading on

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

## Undertakings

---

Certain undertakings.....	<p>The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:</p> <ul style="list-style-type: none"><li>• restrictions on making distributions;</li><li>• undertaking to have the Bonds admitted to trading within 60 calendar days after the Issue Date;</li><li>• restrictions in relation to incurring Financial Indebtedness;</li><li>• undertaking to at all times meet the Maintenance Test;</li><li>• restrictions on disposals of assets;</li><li>• restrictions on making any substantial changes to the general nature of the business carried out by the Group;</li><li>• restrictions on dealings with related parties.</li></ul>
---------------------------	--

Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.

## Miscellaneous

---

Transfer restrictions.....	<p>Subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.</p>
Credit rating.....	<p>No credit rating has been assigned to the Bonds.</p>
Admission to trading .....	<p>Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be filed in connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 5 October 2021. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 100,000.</p>
Representation of the Bondholders.....	<p>Intertrust (Sweden) AB reg. no. 556625-5476, is acting as Agent for the Bondholders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions. The Terms and Conditions are available at the Agent's office address, Sveavägen 9, SE-103 25 Stockholm, Sweden, during normal business hours as well as at the Agent's website, <a href="http://www.intertrustgroup.com">www.intertrustgroup.com</a>.</p>
Governing law .....	<p>The Bonds are governed by Swedish law.</p>



Time-bar .....	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 3 years from the relevant due date for payment.
Clearing and settlement .....	The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. <i>VP-konto</i> ). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.
Risk factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to Section " <i>Risk Factors</i> " for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

# DESCRIPTION OF THE ISSUER AND THE GROUP

---

## Overview of the Issuer

Legal and commercial name.....	LeoVegas AB (publ)
Corporate reg. no. ....	556830-4033
LEI-code .....	549300Z1CNOA0L1K8J51
Date and place of registration....	8 December 2010, Sweden, with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> )
Date of incorporation.....	3 December 2010
Legal form .....	Swedish public limited liability company
Jurisdiction and laws .....	The Issuer is registered with the Swedish Companies Registration Office and operates under the laws of Sweden including, but not limited to, the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ) and the Swedish Annual Accounts Act (Sw. <i>årsredovisningslagen (1995:1554)</i> )
Registered office.....	Stockholm
Head office and visiting address	Luntmakargatan 18, SE-111 37 Stockholm, Sweden
Phone number .....	+46 (0)841036766
Website .....	www.leovegasgroup.com (the information provided at the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)

## History and development

Below follows a timeline setting out some of the key events in the Issuer's history.

Year	Event
2011	<ul style="list-style-type: none"><li>• The Issuer is founded by Gustaf Hagman and Robin Ramm-Ericson.</li></ul>
2012	<ul style="list-style-type: none"><li>• The Issuer launches its offering in Sweden for smartphones, tablets and desktops.</li></ul>
2013	<ul style="list-style-type: none"><li>• The Issuer wins its first award, "Innovation in Casino", at the EGR Innovation Awards.</li></ul>
2014	<ul style="list-style-type: none"><li>• The Issuer's number of employees passes the 100<sup>th</sup> employee mark.</li><li>• The Issuer obtains gambling licence for the UK.</li></ul>
2015	<ul style="list-style-type: none"><li>• The Issuer launches its proprietary technical platform.</li><li>• The Issuer's number of employees passes the 200<sup>th</sup> employee mark.</li></ul>
2016	<ul style="list-style-type: none"><li>• The Issuer is listed on Nasdaq First North Premier</li><li>• The Issuer launches LeoVegas Sport and LeoVegas Live Casino</li><li>• The Issuer receives gambling licence for the Danish market.</li></ul>

- 2017
  - The Issuer acquires gambling licences in Italy via Winga S.r.l.
  - The Issuer passes EUR 1 bn in deposits since the start
  - The Issuer acquires gaming operator Royal Panda
  - The Issuer enters into an agreement to acquire 51% of the shares in the streaming network CasinoGrounds.
- 2018
  - The Issuer acquires the assets of IPS (Rocket X) and 51% of Pixel.bet
  - The Issuer carries out change in listing to Nasdaq Stockholm
  - The Issuer acquires gambling licences for the German market
  - The Issuer applies for gambling licence in Spain
- 2019
  - Sweden becomes a regulated market
  - The Issuer launches operations in five new markets, including Spain and Japan
  - The Issuer launches “Brands of Leo” and the “GoGoCasino” brand
- 2020
  - The Issuer launches the Livecasino.com brand.
  - The Issuer carries out a migration of the “Rocket X” brands to Issuer’s proprietary technological platform.
  - The Issuer launches online bingo as a new category in the Group’s game portfolio.
  - The Issuer launches “LiveCasino.com”, in a number of English-speaking countries.
- 2021
  - The Issuer acquires Expekt, one of the best known brands within sports betting in Sweden and the rest of the Nordics
  - The Issuer acquired 25 per cent. of SharedPlay
  - Royal Panda migrates to the Group’s proprietary technological platform

## Business and operations

### General

The Issuer, the ultimate parent company of the Group, invests in companies that offer gaming via smartphones, tablets and desktop computers as well as companies which develop gaming related technology. Gaming services are offered to end consumers through the Issuer’s subsidiaries and the Issuer is not directly engaged in any gaming activities. Apart from dividends from subsidiaries, the result is steered essentially by invoiced management services provided to Group Companies and other operating expenses.

The Group is a global gaming operator, with gambling licenses in eight jurisdictions and approximately 844 employees as of the date of this Prospectus, with a long-term ambition to be the market leader within online casino and take the position as the “King of Casino” on the global gaming market. The group also offers Sports betting, Bingo and Live Casino. The Group offer their experience through both desktop and mobile devices, while the focus primarily lies on mobile, and utilizes a “Mobile First” approach, which entails that the experience is primarily developed to be played on mobile devices. The Group’s customers use the Group’s gaming services year-round, which means that seasonal variations in the Group’s revenues tend to be rather low.

The operational business is based on Malta, where a majority of the Group’s employees are stationed, while the Group’s parent company related functions and the primary tech function are based in Sweden. The current main markets for the Group are the Nordics and the rest of Europe. The Group is acting within the global gaming industry, which mainly consists of three gaming categories: online casino, live casino and sports betting. The sports betting category include several distinct brands that are strongly associated with

the product category. Online casino, on the other hand, is a fragmented market with many different actors and without a global leader.

The Group's industry is undergoing structural growth and the major growth drivers lie in the shift from offline to online and in the overall increase in usage of mobile devices. The fastest growing segment is the mobile gaming segment, and the Group deems itself well equipped to become a market leader in its existing markets at the same time as it aims to gain strong positions in new markets.

### **Data-driven and scalable marketing**

The Group views data processing and analytics as key components for optimising customer benefits and making the best possible use of effective marketing and the Group has a high level of effectiveness in its marketing investments. Paired with the Group's products and technology, this creates a sustainable, scalable and global business model. Examples of this include how the Group uses algorithms and machine learning to evaluate its marketing investments. Based on the data and evaluations, the marketing investments in different marketing channels are either scaled up or down or shut down based on the return on the investment. All investments are based on pre-determined return on investment (ROI)-thresholds on each marketing channel. Digital marketing methods such as search engine optimisation (SEO) and conversion optimisation are used to support data-driven customer acquisition.

### **Expansion strategy**

The Group's growth is primarily driven by organic expansion in both existing and new markets, complemented by selective and strategic acquisitions. The Group's expansion strategy is to grow organically and to carry out strategic and complementary acquisitions. The expansion is focused on locally regulated markets as well as in soon to be regulated markets.

The Group has a sound financial position and has carried out a number of acquisitions in recent years. The Group considers that opportunities to make acquisitions in the future will remain favourable and that the Group has the prospects to continue to benefit from the consolidation in the gaming industry. The Group is in a position, both from a financial and operational perspective, to be active within M&A. This creates a foundation for more acquisitions.

### **Responsible gaming**

The Group aims to offer entertainment in a safe and secure way. Part of the Group's sustainability strategy is to strive for long-term and sustainable relationships with the Group's customers and partners. The Group views gaming related issues with utmost seriousness and dedicates extensive resources to ensure responsible gaming, both by proactively protecting customers and by providing support to individuals who has developed an unsound gaming behaviour. Investing in and focusing on responsible gaming are imperative for the Group to be able to act in accordance with its gaming licences. To proactively counter unsound gaming, the Group has a proprietary, automated system that employs machine learning and algorithms. This helps create risk profiles for customers who may develop a gaming problem. Aided by its proprietary technology, the Group can act early and quickly to mitigate any problems that could arise if the behaviours were to continue. In addition to the Group's proprietary system, all Group employees, regardless of their position, are certified in responsible gaming and the Group have employed persons to work exclusively with promoting responsible gaming. LeoVegas' framework and routines for ensuring responsible gaming are, on a yearly basis assessed by the independent agency eCOGRA. In 2021, the external assessment shows that LeoVegas is in conformity with all relevant recommendations and requirements for responsible gaming published by the European commission.

### **The Group's portfolio of brands**

The Group operates several scalable and global brands, each with their own specific tone. The Group's material brands are LeoVegas, Royal Panda, GoGoCasino, LiveCasino.com, Pink Casino, Expekt and several local brands in the UK such as BetUK, Slot Boss and 21.co.uk.

## Material agreements

Neither the Issuer nor any other Group Company has entered into any material agreements that are not entered into in the ordinary course of its business, which could result in any Group Company being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to the Bondholders under the Terms and Conditions, other than the revolving credit facility which is described below. The following description does not purport to describe all of the applicable terms and conditions of the revolving credit facility.

### Revolving credit facility

The Issuer and has entered into a multicurrency revolving credit facility agreement as borrower with Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) as mandated lead arrangers dated 27 November 2020 (the “**Revolving Credit Facility**”). The total commitment under the Revolving Credit Facility amounts to EUR 40,000,000. The Revolving Credit Facility has been provided to the Issuer and LeoVegas Gaming P.L.C. as borrowers for working capital purposes and the obligations under the Revolving Credit Facility are jointly and severally guaranteed by the Issuer, LeoVegas Gaming P.L.C. and LeoVegas International Ltd. The final termination date for the Revolving Credit Facility is 27 November 2023.

## Overview of the Group

The Issuer is the ultimate parent company of the Group. As of the date of this Prospectus, the Group consists of the Issuer and 32 direct and indirect subsidiaries, including one investment in associate. A table setting out the Issuer’s direct and indirect subsidiaries, including investments in associates, is presented below.

Subsidiary	Jurisdiction	Share capital (%)
Leo Vegas International Ltd	Malta	100%
Gaming Momentum Ltd	Malta	100%
Gears of Leo AB	Sweden	100%
GameTech Marketing Ltd	Gibraltar	100%
Expekt Nordics Limited	Malta	100%
LeoVegas Gaming P.l.c	Malta	100%
Mobile Labs BV	Curacao	100%
Mobile Momentum NV	Curacao	100%
Web Investments Ltd	Malta	100%
Dynamic Web Marketing BV	Netherlands	100%
i-Promotions Ltd	Malta	100%
Royal Panda Ltd	Malta	100%
RP Marketing Services Ltd	British Virgin Islands	100%
Winga Srl	Italy	100%
World of Sportsbetting Ltd	Malta	100%
LeoVegas UK Ltd	England	100%
LVSports Ltd	Malta	100%
LeoVegas US Inc	Delaware (US)	100%
LeoVegas NJ LLC	New Jersey (US)	100%
PLF HippoGo Solutions Ltd	Cyprus	100%
LeoVentures Ltd	Malta	100%
21 Heads Up Ltd	Malta	100%
GameGrounds United AB	Sweden	51%
Performance Pack Ltd	Malta	100%
Performing Media Ltd	Malta	100%
Game Grounds America LLC	Delaware (US)	100%
Pixel Holding Group Ltd	Malta	85%
Pixel Digital Ltd	Malta	100%
Pixel Gaming Group Ltd. BV	Curacao	100%
SharedPlay Ltd	England	25%
LeoStudios Ltd	Malta	100%
Blue Guru Games Ltd	Malta	85%

The Group's operations are conducted through, and the majority of revenues of the Issuer emanates from, the Issuer's operational subsidiaries. The Issuer is thus dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

## **Recent events particular to the Issuer**

On 2 September 2021 the issuer announced the launch of a new layer of AI-powered messaging to scale-up the Group's Safer Gambling offering. Customers in the UK are the first to receive the onsite messages with individualised content based on their behaviour and risk profile, that educate and provide information on safer gambling.

On 6 July 2021, the Issuer announced by way of press release that the Issuer's responsible gaming framework has been assessed and reviewed by industry leading certification agency eCOGRA to certify that its services are in conformity with the recommendations that the European Commission has published for online gaming. The assessment affirmed that the Issuer is in conformity with all relevant recommendations.

As announced on 27 May 2021 by way of press release, the board of directors of the Issuer has decided to exercise the authorisation granted by the annual general meeting on 11 May 2021 to repurchase own shares in the market in an amount of up to EUR 10,000,000 on one or more occasions before the annual general meeting 2022, for the purpose of optimising the Issuer's capital structure and creating shareholder value by reducing the number of outstanding shares. The repurchased shares may also be used as payment for potential future acquisitions.

On 17 May 2021, the Issuer announced by way of press release that it has entered into an agreement to launch the LeoVegas brand in New Jersey, USA marking the Issuer's first establishment in the US.

On 11 May 2021, the Issuer announced by way of press release that the annual general meeting of the Issuer decided to distribute an amount corresponding to SEK 1.60 per share to the Issuer's shareholders, totalling SEK 160,290,602. The dividends will be paid on four occasions in the amount of SEK 0.40 per share.

On 13 March 2021, the Issuer announced by way of press that it has acquired Expekt Nordics Ltd and related assets from Beltic Group for a total purchase price of EUR 5,000,000. Expekt is one of the most well-known sports betting brands in Sweden and the Nordic countries. The acquisition was completed on 19 May 2021.

Except for the issuance of the Bonds, there has been no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.

## **Material adverse changes, significant changes and trend information**

As a result of the COVID-19 pandemic, various sport events have been cancelled and postponed, which resulted in a sharp drop in revenue from the Group's sports betting business segment in particular at the start of the pandemic. Approximately 9 per cent of the Group's revenue was generated from sports betting prior to the Covid-19 outbreak. The revenue from sports betting has recovered from the bottom levels and in Q2 2021 it accounted for 11 per cent. of the Group's revenues. A protracted virus outbreak could further adversely affect the sports betting business segment. Furthermore, the COVID-19 pandemic has given rise to temporary rules and regulations in certain markets. Sweden for example, has imposed a temporary SEK 5,000 deposit limit per week (per player and licence), which is expected to remain in effect at least until 14 November 2021.

New regulation in Germany with *inter alia* strict product limitations, a high gaming tax and a skewed competitive situation is having a negative effect on the Group. The Group's revenue generated on the German market decreased by 81 per cent. during the second quarter 2021 compared with the second quarter

of 2020. Revenue in Germany accounted for only 4 per cent. of the Group's total revenue during the second quarter 2021. During the second quarter of 2020, Germany accounted for 18 per cent. of the Group's revenue.

Other than described above, there has been no (i) material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report, (ii) significant changes in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus, (iii) significant changes in the financial position of the Group which has occurred since the end of the last financial period for which the Group has published interim financial information or (iv) trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

## Governmental, legal or arbitration proceedings

In April 2021, the Group received a sanction fee of SEK 2,000,000 from the Swedish Gambling Authority. The Group has appealed the fine and the matter is, as of the date hereof, currently pending. Also, at the date hereof, a tax audit relating to Royal Panda for the period prior to LeoVegas' acquisition is ongoing. The audit is still in its initial stages and the outcome and magnitude of the audit is at this time uncertain.

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve (12) months from the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

## Credit rating

No credit rating has been assigned to the Issuer of the Bonds.

# OWNERSHIP STRUCTURE

## Ownership structure

The Issuer's shares are listed on the main list of Nasdaq Stockholm since 5 February 2018 under the ticker "LEO" and with ISIN SE0008091904. As of 31 August 2021, the five (5) largest shareholders in the Issuer were:

Shareholders	Number of shares	Share capital (%)
Gustaf Hagman and family	8 400 000	8.3%
Avanza Pension	4 808 851	4.7%
Torsten Söderberg and family	4 508 861	4.4%
Goldman Sachs Asset Management	3 629 998	3.6%
LOYS AG	3 596 350	3.5%

The Issuer is not owned or controlled, directly or indirectly by any one person or group of persons. The shareholders' influence is exercised through active participation in the decisions made at the general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the relevant laws in Sweden including, among other, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, the Issuer acts in compliance with the rules of Nasdaq Stockholm and the Swedish Corporate Governance Code (Sw. *Koden för svensk bolagsstyrning*) without deviations.

## Shareholders' agreements

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

# THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

---

## General

The division of work within the board of directors is set out in the rules of procedure for the board of directors and the division of duties between the board of directors and the CEO follows Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. The board of directors currently has two (2) committees established, the remuneration committee and the audit committee, whose work is governed by the instructions to the remuneration committee and the instructions to the audit committee.

The CEO is responsible for the Issuer's ongoing management and operations, reports to the board of directors and is required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials. The board of directors and the executive management may be contacted through the Issuer at its head office at Luntmakargatan 18, SE-111 37 Stockholm, Sweden.

## Board of directors

The Issuer's board of directors currently comprise of seven (7) directors. According to the Issuer's articles of association, the board of directors shall comprise of not less than three (3) and not more than ten (10) directors. The section below presents the members of the board of directors, their position, including the year of their initial election, their significant assignments outside the Issuer, which are relevant for the Issuer.

### Overview

Name	Position
Per Norman	Chairman of the Board
Anna Frick	Board member
Fredrik Rüdén	Board member
Mathias Hallberg	Board member
Hélène Westholm	Board member
Carl Larsson	Board member
Torsten Söderberg	Board member

### Members of the board of directors

#### Per Norman

- Per Norman has been Chairman of the board of directors since 2020.
- Other relevant assignments: Chairman of the board of Red Jade AB, Stockholm Security Holding AB, Learnster AB and GLHF Group AB and board member of Sveriges Television Aktiebolag.
- Per Norman previously held the position of CEO for the gaming company Mr Green which was sold to William Hill under his management. Other relevant previous experiences include the position of CEO for Boxer TV Access AB and Deputy CEO for Modern Times Group MTG AB.

#### Anna Frick

- Anna Frick has been a member of the board of directors since 2015.
- Other relevant assignments: Board member of Fortnox AB, Svea Ekonomi AB, Cell Impact AB (publ), Sensec Holding AB (publ), Transfer Group AB (publ), AFO AB, Lohilo Foods AB (publ).
- Anna previously served as board member of *inter alia* Nordnet AB and A3 Allmänna IT- och Telekomaktiebolaget (publ), Vice President of Garbergs Reklambyrå AB and CEO of Oakwood Creative AB.

#### Fredrik Rüdén



- Fredrik Rüdén has been a member of the board of directors since 2019.
- Other relevant assignments: Chairman of the board of Cambio Welfare Systems AB, MittVaccin Sverige AB, Cambio Holding AB, board member of Cambio Healthcare Systems AB, Cambio CDS AB, Cambio Holding AB, Scout Gaming Group AB, Aktiebolaget FA Rüdén Consulting and Sanolium and CFO of Cambio Healthcare Systems AB.
- Fredrik previously held the position of CFO at the gaming company Betsson for many years. Other relevant former positions include CFO at Teligent AB and Hallvard Leröy AS.

#### **Mathias Hallberg**

- Mathias Hallberg has been a member of the board of directors since 2020.
- Other relevant assignments: Board member and deputy CEO of HaLaCore Pharma AB and board member of Hallbio AB.
- Mathias has a Master of Science in Biology and Chemistry from Lund University. Mathias researches in the field of addiction and, in 2016, he was appointed to Professor in Molecular research on drug dependence at Uppsala University, Department of pharmaceutical biosciences.

#### **Hélène Westholm**

- Hélène Westholm has been a member of the board of directors since 2020.
- Other relevant assignments: Chariman of the board at Korp Kommunikation AB, board member at Migory AB and deputy board member at Hugomir AB.
- Hélène has many years of experience in project management in the financial sector, including from Nordstjerner and Erik Penser Bank's Corporate Finance department. She also has experience from positions as board member of AB Svenska Spel, AB Svensk Bilprovning and AB Svensk Exportkredit.

#### **Carl Larsson**

- Carl Larsson has been a member of the board of directors since 2020.
- Other relevant assignments: Board member of Strukturinvest Fondkommission (FK) AB, Common Field AB, Primrose Partners AB and deputy board member at Gråskär Konsult AB.
- Carl has extensive experience from the financial sector, where he has worked with large development projects regarding IT systems for banks. Carl is also co-founder of DigitalRoute.

#### **Torsten Söderberg**

- Torsten Söderberg has been a member of the board of directors since 2020.
- Other relevant assignments: Chariman of the board of Gravis AB, Aktiebolaget Syoto, Fondeon Aktiebolag, Dox Sweden AB, Tastsinn AB, Vilja Invest AB, ProfilEvents AB, Ligula Hospitality Group AB, Temporis AB, Abesto AB, 4Ever Green AB Cochleari AB and Impulseradar Sweden AB, board member of SARSYS-ASFT AB, ASFT Industries AB, Buir AB, 3D Fastigheter AB, Eranda AB, BL Hotell Holding AB and Impulseradar Sweden AB and CEO of Aktiebolaget Syoto and Eranda AB.
- Torsten's main occupation is board assignments. Torsten has previous experience as self-employed within several industries and as Chairman of the board in *inter alia* Cherryföretagen and Stingbet.

## **Executive management**

The section below presents the members of the executive management, including the year each person became a member of the executive management and their shareholdings in the Issuer.

## Overview

<b>Name</b>	<b>Position</b>
Gustaf Hagman	Chief Executive Officer
Stefan Nelson	Chief Financial Officer
Mårten Forste	Chief Operating Officer
Mattias Wedar	Chief Product and Tech Officer

### Members of the executive management

#### **Gustaf Hagman**

Gustaf Hagman has been Chief Executive Officer since 2011.

#### **Stefan Nelson**

Stefan Nelson has been Chief Financial Officer since 2018.

#### **Mårten Forste**

Mårten Forste has been Chief Operating Officer since 2020.

#### **Mattias Wedar**

Mattias Wedar has been Chief Product and Tech Officer since 2019.

## Conflicts of interests within administrative, executive management and control bodies

None of the members of the board of directors or the executive management of the Issuer has a private interest that may be in conflict with the interests of the Issuer except as described below. However, certain members of the board of directors or the executive management of the Issuer have financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. The members of the board of directors and executive management may serve as directors or officers of other companies or have significant shareholdings in other companies which may result in a conflict of interest. In the event that such conflict of interest arises at a board meeting, a board member which has such conflict will abstain from voting for or against the approval of such participation, or the terms of such participation.

Notwithstanding the above, it cannot be excluded that other conflicts of interest may arise in the future between companies, in which members of the board of directors or the executive management of the Issuer have duties, and the Issuer.

## Auditor

The Issuer's auditor is PricewaterhouseCoopers AB, with Aleksander Lyckow as the auditor in charge. Aleksander Lyckow is a member of FAR (the professional institute for authorised public accountants in Sweden). PricewaterhouseCoopers AB, with Aleksander Lyckow as auditor in charge, has been the Issuer's auditor since June 2015. The business address of PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97 Stockholm, Sweden.

# SUPPLEMENTARY INFORMATION

---

## Information about the Prospectus

This Prospectus has been approved by the SFSA as 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 Bonds.

## Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 10 September 2021 was resolved upon by the board of directors of the Issuer on 2 September 2021.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer 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 responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

## Information from third parties

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, 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.

## Interest of natural and legal persons involved in the bond issue

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

## Documents available for inspection

Copies of the following documents are available at the Issuer's head office in paper format during the validity period of this Prospectus and available in electronic format at the Issuer's website, [www.leovegasgroup.com](http://www.leovegasgroup.com).

- The Issuer's articles of association.
- The Issuer's certificate of registration.
- The Group's consolidated audited annual report for the financial year ended 31 December 2020, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2019, including the applicable audit report.

# FINANCIAL INFORMATION

---

## Historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2019 and 31 December 2020 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial periods 1 January – 31 December 2019 and 1 January – 31 December 2020 (or as of 31 December 2020) derives from the Groups consolidated audited annual reports for the financial years ended 31 December 2019 and 31 December 2020.

## Accounting standards

The financial information for the financial years ended 31 December 2019 and 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the European Union. In addition, the financial information for the financial years ending 2019 and 2020 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

## Auditing of the historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2019 and 31 December 2020 have been audited by PricewaterhouseCoopers AB, with Aleksander Lyckow as the auditor in charge. Unless otherwise explicitly stated, no other information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

## Incorporation by reference

The following information in the Group's consolidated audited annual reports for the financial years 2019 and 2020 is incorporated in this Prospectus by reference and is available at the Issuer's website, [www.leovegasgroup.com](http://www.leovegasgroup.com) and on the following links: <http://leovegasgroup.com/media/1528/leovegas-annual-report-2019.pdf> and <http://leovegasgroup.com/media/1601/leovegas-annual-report-2020.pdf>. For particular financial figures, please refer to the pages set out below.

Reference	Pages
<b>The Group's consolidated annual report 2020</b>	
Consolidated income statement	115
Consolidated balance sheet	116
Consolidated changes in equity	117
Consolidated cash flow statement	118
Accounting principles and notes	123-143
Auditor's report	145-148

**The Group's consolidated annual report 2019**

Consolidated income statement	100
Consolidated balance sheet	101
Consolidated changes in equity	102
Consolidated cash flow statement	103
Accounting principles and notes	108-128
Auditor's report	130-133

# TERMS AND CONDITIONS FOR THE BONDS

---



**TERMS AND CONDITIONS  
LEOVEGAS AB (PUBL)  
MAXIMUM SEK 800,000,000  
SENIOR UNSECURED FLOATING RATE  
BONDS 2020/2023**

ISIN: SE0015242854

LEI: 549300Z1CNOA0L1K8J51

First Issue Date: 10 December 2020

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

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

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

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

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

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

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

## TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION .....	1
2.	STATUS OF THE BONDS.....	10
3.	USE OF PROCEEDS.....	11
4.	CONDITIONS PRECEDENT.....	11
5.	BONDS IN BOOK-ENTRY FORM .....	12
6.	RIGHT TO ACT ON BEHALF OF A BONDHOLDER .....	13
7.	PAYMENTS IN RESPECT OF THE BONDS.....	13
8.	INTEREST .....	14
9.	REDEMPTION AND REPURCHASE OF THE BONDS .....	15
10.	INFORMATION TO BONDHOLDERS.....	16
11.	FINANCIAL TESTING .....	18
12.	GENERAL UNDERTAKINGS .....	19
13.	EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS.....	21
14.	DISTRIBUTION OF PROCEEDS.....	23
15.	DECISIONS BY BONDHOLDERS .....	24
16.	BONDHOLDERS' MEETING .....	27
17.	WRITTEN PROCEDURE .....	27
18.	AMENDMENTS AND WAIVERS.....	28
19.	APPOINTMENT AND REPLACEMENT OF THE AGENT.....	28
20.	APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT.....	32
21.	APPOINTMENT AND REPLACEMENT OF THE CSD.....	32
22.	NO DIRECT ACTIONS BY BONDHOLDERS .....	32
23.	TIME-BAR .....	33
24.	NOTICES AND PRESS RELEASES.....	33
25.	FORCE MAJEURE AND LIMITATION OF LIABILITY.....	34
26.	GOVERNING LAW AND JURISDICTION .....	35



## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

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

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

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

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

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

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

"**Approved Share Repurchase**" means any repurchase of the Issuer's own shares carried out under a share repurchase programme in accordance with an authorisation granted by the shareholders at an annual general meeting of the Issuer.

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

"**Bondholder**" means the person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

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

**"Business Day"** means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

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

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

**"Change of Control Event"** means the occurrence of an event or series of events whereby (a) the shares of the Issuer cease to be listed on Nasdaq Stockholm or any Regulated Market replacing Nasdaq Stockholm, or (b) any person or group of persons acting together gains control over the Issuer and where "control" means (i) controlling, directly or indirectly, more than fifty (50.00) per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"Compliance Certificate"** means a certificate, in form and substance satisfactory to the Agent, signed by authorised signatories of the Issuer certifying (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (b) if provided in connection with an interim Financial Report being made available, that the Maintenance Test is met and including calculations and figures in respect of Leverage, and (c) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of Leverage.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.

**"CSD Regulations"** means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

**"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(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any exceptional, one off, non-recurring or extraordinary items, provided that such do not in aggregate exceed five (5.00) per cent. of EBITDA during the applicable Relevant Period;
- (d) before taking into account any Transaction Costs;

- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group; and
- (k) not including and revaluation of amounts payable under any Earn-Out Agreement.

"**Euro**" and "**EUR**" means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

"**Event of Default**" means an event or circumstance specified in any of the Clauses 13.1 (*Non-payment*) to and including Clause 13.10 (*Continuation of business*).

"**Existing Debt Facility**" means the revolving credit facility in an amount of EUR 80,000,000 entered into between the Issuer and certain Group Companies as borrowers and Skandinaviska Enskilda Banken AB (publ) as lender.

"**Final Maturity Date**" means 10 December 2023.

"**Finance Charges**" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis without double counting) other than Transaction Costs and capitalised interest in respect of any loan owing to any member of the Group, and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

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

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

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as borrowings under the Accounting Principles;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount finally determined but unpaid under any Earn-Out Agreement; and
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(g).

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

**"First Issue Date"** means 10 December 2020.

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

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

**"Incurrence Test"** has the meaning set forth in Clause 11.2 (*Incurrence Test*).

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

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

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

**"Interest Payment Date"** means 10 March, 10 June, 10 September, and 10 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 10 March 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

**"Interest Period"** means (a) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (b) in

respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

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

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

**"Issuer"** means LeoVegas AB (publ), a public limited liability company incorporated under the laws of Sweden, reg. no. 556830-4033, Luntmakargatan 18, SE-111-37 Stockholm, Sweden.

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

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

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

**"Maintenance Test"** has the meaning set forth in Clause 11.1 (*Maintenance Test*).

**"Margin"** means five hundred and fifty (550) basis points *per annum*.

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, securities issued under medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

**"Material Adverse Effect"** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

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

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

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

**"Net Proceeds"** means the proceeds from the issuance of the Initial Bonds or any Subsequent Bonds after deduction has been made for transaction costs payable by the Issuer to the Issuing Agent and/or the bookrunner(s) in connection with issuance of the Bonds.

**"Payment Provider Balances"** means eighty (80.00) per cent. of the current receivables with payment providers regarding unsettled client payments.

**"Permitted Credit Facility"** means one or more credit facilities (to be applied for the general corporate, working capital, capital expenditure and acquisition purposes of the Group, and including but not limited to any overdraft facilities and/or ancillary facilities) in an aggregate outstanding amount not at any time exceeding the higher of (a) EUR 40,000,000 (or its equivalent in other currencies) and (b) eighty (80.00) per cent. of EBITDA, where EBITDA shall be adjusted as set out in Clause 11.2(c).

**"Permitted Debt"** means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred under the Existing Debt Facility up until the date falling thirty (30) calendar days after the First Issue Date;
- (c) incurred under any Permitted Credit Facility;
- (d) of the Group incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business;
- (e) between Group Companies;
- (f) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (g) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions or any Permitted Credit Facility, but not any transaction for investment or speculative purposes;
- (h) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (i) arising under any Earn-Out Agreement;
- (j) incurred under Advance Purchase Agreements;
- (k) pension liabilities of the Group arising in the ordinary course of the Group's business;

- (l) of any Person acquired by a member of the Group after the First Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six (6) months following the date of acquisition, provided that the Incurrence Test is met (calculated on a *pro forma* basis including the Financial Indebtedness) at the date of completion of the relevant acquisition;
- (m) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of an issuance of Subsequent Bonds by the Issuer under these Terms and Conditions, or (ii) is unsecured and ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents;
- (n) incurred for the purpose of refinancing the Bonds in full; and
- (o) any other Financial Indebtedness not covered under items (a) to (n) above in an aggregate maximum amount of EUR 2,500,000 (or its equivalent in other currencies).

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

- (a) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (b) provided in respect of any Permitted Credit Facility;
- (c) provided in relation to any Finance Lease set out in item (d) of the definition of Permitted Debt;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements and security under a credit support arrangement in relation to a transaction out in item (g) or (h) of the definition of Permitted Debt;
- (e) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (f) any security over or affecting either any asset acquired by a member of the Group after the First Issue Date or any asset of any company which becomes a member of the Group after the First Issue Date if (i) the security was not created in contemplation of the acquisition of that asset by a member of the Group, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group and (iii) the security is removed or discharged within six (6) months of the date of acquisition of such asset;
- (g) agreed to be provided for the benefit of the financing provider(s) in relation to a refinancing of the Bonds in full; and
- (h) any other security not covered under items (a) to (g) above securing an aggregate maximum amount of EUR 2,500,000 (or its equivalent in other currencies).

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

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

**"Record Date"** means the fifth (5) Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Bondholders is to be made under Clause 14 (*Distribution of Proceeds*) or (d) 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 Date"** means 31 March, 30 June, 30 September and 31 December each year.

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

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

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

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

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

**"STIBOR"** means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place



of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;

- (c) if no rate as described in paragraph (b) above is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in 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), which at the time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

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

**"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 directly or indirectly in connection with (a) the issuance of the Initial Bonds and any Subsequent Bonds, (b) the admission to trading of the Initial Bonds and any Subsequent Bonds, (c) the establishment of any Permitted Debt or (d) any acquisition or disposal permitted under the Terms and Conditions (for the avoidance of doubt, excluding payments of purchase price, earn-out payments and other similar payments).

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*Written Procedure*).

## **1.2 Construction**

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law, but if not having the force of law with which it is market practice to comply with) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (iv) a provision of law is a reference to that provision as amended or re-enacted; and
- (v) a time of day is a reference to Stockholm time.
- (b) an Event of Default is continuing if it has not been remedied or waived;
- (c) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (d) When ascertaining whether a limit or threshold specified in Euro 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 EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.
- (e) 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.
- (f) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. STATUS OF THE BONDS

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Bond is SEK 1,250,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- (d) Provided that (i) no Event of Default is continuing or would result from such issue and (ii) the Incurrence Test is met (tested *pro forma* including such Financial Indebtedness), the Issuer may, on one or more occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents and, for the avoidance of doubt, the ISIN (to the extent a temporary ISIN is not required prior to listing thereof), the Interest Rate, the currency, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 800,000,000.

- (e) 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 direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation.
- (f) Subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. USE OF PROCEEDS**

- (a) In order of priority, the Net Proceeds of the issuance of the Initial Bonds shall be used to (i) refinance the Existing Debt Facility in full, and (ii) finance general corporate purposes of the Group, including acquisitions and transaction costs.
- (b) The Net Proceeds from the issuance of any Subsequent Bonds shall be used to finance general corporate purposes of the Group, including acquisitions and transaction costs.

### **4. CONDITIONS PRECEDENT**

- (a) The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
  - (i) copy of a corporate resolution of the board of directors of the Issuer:
    - A. approving the issuance of the Initial Bonds, the terms of the Finance Documents and resolving to enter into such documents and any other documents necessary in connection therewith;
    - B. authorising a specified person or persons to execute the Finance Documents on its behalf; and
    - C. authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
  - (ii) these Terms and Conditions and the Agency Agreement duly executed by the Issuer;
  - (iii) copies of the constitutional documents of the Issuer; and
  - (iv) a form of Compliance Certificate, agreed between the Issuer and the Agent.

- (b) The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or such later time as agreed by the Agent) in respect of Subsequent Bonds, the following.
  - (i) copy of a corporate resolution of the board of directors of the Issuer:
    - A. approving the issuance of Subsequent Bonds and resolving to enter into such documents and any other documents necessary in connection therewith;
    - B. authorising a specified person or persons to execute the documents necessary in connection with the issuance of the Subsequent Bonds; and
    - C. authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it in connection with the issuance of the Subsequent Bonds.
  - (ii) copies of the constitutional documents of the Issuer; and
  - (iii) a Compliance Certificate in respect of the issuance of Subsequent Bonds.
- (c) The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions precedent in Clause 4(a) or (b), as the case may be, have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent prior to the relevant Issue Date, or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- (d) Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(c), the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(c), the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.
- (e) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(a) or (b), as the case may, is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 4 from a legal or commercial perspective of the Bondholders.

## **5. BONDS IN BOOK-ENTRY FORM**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- (c) The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 16 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 17 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (f) The Issuer and the Agent may use the information referred to in Clauses 5(c) through 5(e) only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney, so long as the original power of attorney does not state otherwise.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 6(a) and (b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

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

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, requested by the Bondholders pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a

Securities Account on the Record Date immediately preceding the relevant payment date.

- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.

## **8. INTEREST**

- (a) Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

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

### **9.2 Issuer's purchase of Bonds**

- (a) The Issuer may, subject to applicable laws and regulations, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold by the Issuer, however, provided that no Bonds may be cancelled by the Issuer, except in connection with a full redemption of the Bonds.
- (b) Notwithstanding Clause 9.2(a) above, Bonds held by the Issuer may be cancelled (i) in connection with a full redemption of the Bonds in order to cater for such full redemption of the Bonds, and (ii) if the Issuer has purchased all Bonds and the Issuer cancels all, but not some only, of the Bonds.

### **9.3 Voluntary total redemption**

- (a) The Issuer may redeem all, but not some only, of the outstanding Bonds in full on any Business Day falling on or after the date falling three (3) months prior to the Final Maturity Date, provided that such redemption is financed in full or in part by way of the Issuer issuing Market Loan(s), at an amount per Bond equal to one hundred (100.00) per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent in accordance with the instructions of Issuer or the Issuing Agent, as applicable, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

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

- (a) Upon a Change of Control Event or a Listing Failure Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the relevant event pursuant to Clause 10.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon

the occurrence of the Change of Control Event or the Listing Failure Event (as applicable).

- (b) The notice from the Issuer pursuant to Clause 10.1(b) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may be retained, sold or cancelled in accordance with Clause 9.2 (*Issuer's purchase of Bonds*) above.

## **10. INFORMATION TO BONDHOLDERS**

### **10.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (iii) as soon as the same become available, but in any event within two (2) months after the end of each financial year, the year-end report (Sw. *bokslutskommuniké*); and
  - (iv) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed (each as amended from time to time).



- (b) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event.
- (c) The Issuer shall supply a Compliance Certificate to the Agent:
  - (i) in connection with an interim Financial Report being made available;
  - (ii) in connection with the incurrence of Financial Indebtedness or the making of a Restricted Payment, which requires that Incurrence Test is met, provided that the Issuer shall only be required to supply a Compliance Certificate to the Agent in connection with the making of a Restricted Payment that constitutes an Approved Share Purchase if Leverage (calculated on a *pro forma* basis including the relevant Restricted Payment) to be reported in such Compliance Certificate would exceed 2.00:1; and
  - (iii) within twenty (20) Business Days from the Agent's request.
- (d) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer has purchased any of its Bonds in accordance with Clause 9.2(a) (*Issuer's purchase of Bonds*).
- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.
- (g) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in Clause 10.1(a) above public by way of press release.

## **10.2 Information from the Agent**

The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

### **10.3 Information among the Bondholders**

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

### **10.4 Publication of Finance Documents**

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

## **11. FINANCIAL TESTING**

### **11.1 Maintenance Test**

- (a) The Maintenance Test shall be tested quarterly on each Reference Date from and including 31 December 2020, for as long as any Bond is outstanding, and be calculated in accordance with the applicable Accounting Principles on the basis of the consolidated interim Financial Report for the period ending on the relevant Reference Date, with respect to the Reference Period ending on such Reference Date, and shall be reported in the Compliance Certificate delivered in connection with such Financial Report.
- (b) The Maintenance Test is met if Leverage does not exceed 5.00:1.

### **11.2 Incurrence Test**

- (a) The Incurrence Test is met if:
  - (i) if tested in connection with the making of a Restricted Payment, Leverage does not exceed 2.00:1;
  - (ii) if tested in connection with the incurrence of Financial Indebtedness, Leverage does not exceed 3.00:1; and
  - (iii) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or making of a Restricted Payment.
- (b) The calculation of Leverage for the Incurrence Test shall be made as per a testing date determined by the Issuer falling no more than one (1) month prior to the incurrence of the new Financial Indebtedness or the making of the Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be adjusted as set out in Clause 11.2(c). The calculation of Leverage for the Incurrence Test shall be made in accordance with the Accounting Principles, unless otherwise stated in these Terms and Conditions.

- (c) The figures for EBITDA, Finance Charges and Net Finance Charges, shall be used for the Incurrence Test, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Relevant Period shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

## **12. GENERAL UNDERTAKINGS**

### **12.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

### **12.2 Admission to trading**

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

### **12.3 Distributions**

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries:
  - (i) declare, make or pay any dividend, charge, fee or other distribution in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;

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

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

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

#### **12.4 Nature of business**

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

#### **12.5 Financial indebtedness**

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

#### **12.6 Disposal of assets**

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms for such transaction and provided that it does not have a Material Adverse Effect.

## **12.7 Dealings with related parties**

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

## **12.8 Negative pledge**

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

## **13. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.11 (*Acceleration of the Bonds*)) is an Event of Default.

### **13.1 Non-payment**

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

### **13.2 Maintenance Test**

The Issuer has failed to comply with the Maintenance Test as of any Reference Date.

### **13.3 Other obligations**

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under Clauses 13.1 (*Non-payment*) and 13.2 (*Maintenance Test*), unless the non-compliance is capable of remedy and the Issuer has remedied the failure within fifteen (15) Business Days of the earlier of (a) a request by the Agent and (b) the Issuer becoming aware of the non-compliance.

### **13.4 Cross payment default and cross-acceleration**

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 13.4 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

### **13.5 Insolvency**

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

### **13.6 Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

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

### **13.7 Mergers and demergers**

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

### **13.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within sixty (60) calendar days.

### **13.9 Impossibility or illegality**

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

### **13.10 Continuation of business**

The Issuer or any other Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect or in the case of a merger or demergers as stipulated in Clause 13.7 (*Mergers and demergers*) above.

### **13.11 Acceleration of the Bonds**

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 13.11, the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount, together with accrued but unpaid Interest.

#### **14. DISTRIBUTION OF PROCEEDS**

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

accordance with Clause 8(d) on delayed payments of Interest and repayments of principal under the Bonds.

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

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

## **15. DECISIONS BY BONDHOLDERS**

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15(e) being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- (e) Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 16(a) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 17(a), in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a). The Issuer shall inform the Agent before a notice for



a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.

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

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

(ii) on the Business Day specified in the communication pursuant to Clause 17(b), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount. Such Business Day specified pursuant to item (i) and (ii) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

(g) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(b):

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

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

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

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

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

(vi) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;

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

(viii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

(h) Any matter not covered by Clause 15(g) shall require the consent of Bondholders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(b). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an

amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)) or an acceleration of the Bonds.

- (i) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(g), and otherwise twenty (20.00) per cent. of the Adjusted Nominal Amount:
  - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matter for which a quorum exists.

- (j) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 15(j), the date of request of the second Bondholders' Meeting pursuant to Clause 16(a) or second Written Procedure pursuant to Clause 17(a), as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15(i) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (k) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (l) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (m) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (n) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

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

## **16. BONDHOLDERS' MEETING**

- (a) The Agent shall convene a Bondholders' Meeting as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Bondholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- (b) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) the day on which a person must be a Bondholder in order to exercise Bondholders' rights at a Bondholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (c) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- (d) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **17. WRITTEN PROCEDURE**

- (a) The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Bondholder

on a date selected by the Agent which falls no more than 5 (five) Business Days prior to the date on which the communication is sent.

- (b) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 17(a)). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- (c) When consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15(g) and 15(h) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(g) or 15(h), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. AMENDMENTS AND WAIVERS**

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **19.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent

is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.

- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set out in Clause 19.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Duties of the Agent**

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholder or the Issuer. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders

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

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

### **19.3 Limited liability for the Agent**

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 15 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 13.11 (*Acceleration of the Bonds*).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

#### **19.4 Replacement of the Agent**

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

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

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- (c) The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.
- (d) The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

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

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

## **22. NO DIRECT ACTIONS BY BONDHOLDERS**

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 19.1(c)), such actions within a



reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 19.2(h), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(i) before a Bondholder may take any action referred to in Clause 22(a).

- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **23. TIME-BAR**

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

## **24. NOTICES AND PRESS RELEASES**

### **24.1 Notices**

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the date such person shall be a Bondholder in order to receive the communication, and by either courier delivery or letter for all Bondholders. A

notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

- (b) Subject to Clause 24.1(e) below, any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a).
- (c) Any notice pursuant to the Finance Documents shall be in English.
- (d) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (e) If any notice or other communication made by the Agent to the Issuer or the Issuer to the Agent under or in connection with the Finance Documents is sent by email, it will be effective on the day of dispatch (unless a delivery failure message was received by the Agent or the Issuer), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

## **24.2 Press releases**

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.4, 10.1(b), 13.11(c), 15(q), 16(a), 17(a) and 18(b) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

- (a) Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (c) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

**26. GOVERNING LAW AND JURISDICTION**

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
- (c) Items (a) and (b) above shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

# ADDRESSES

---

## Issuer

### **LeoVegas AB (publ)**

Luntnakargatan 18, SE-111 37 Stockholm,  
Sweden  
Tel: +46 (0)841036766  
Web page: [www.leovegasgroup.com](http://www.leovegasgroup.com)

## Issuing agent and Sole Bookrunner

### **Swedbank AB (publ)**

SE-105 34 Stockholm, Sweden  
Tel: +46 (0)8 585 900 00  
Web page: [www.swedbank.se](http://www.swedbank.se)

## Auditor

### **PricewaterhouseCoopers AB**

Torsgatan 21, SE-113 97 Stockholm, Sweden  
Tel: +46 (0)10-212 40 00  
Web page: [www.pwc.se](http://www.pwc.se)

## Central securities depository

### **Euroclear Sweden AB**

P.O. Box 191, SE-101-23 Stockholm, Sweden  
Tel: +46 (0)8-402 90 00  
Web page: [www.euroclear.com](http://www.euroclear.com)

## Legal advisor

### **Gernandt & Danielsson Advokatbyrå KB**

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

## Agent

### **Intertrust (Sweden) AB**

P.O. Box 162 85, SE-103 25 Stockholm, Sweden  
Tel: +46 (0)8-402 72 00  
Web page: [www.intertrustgroup.com](http://www.intertrustgroup.com)