

# Prospectus for Bilia AB



## **SEK 800,000,000** **Senior Unsecured Floating Rate Bonds**

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ISIN: SE0020358265

Issuing agent:  
DNB Bank ASA, Sweden Branch

*This Prospectus was approved by the Swedish Financial Supervisory Authority on 13 September 2023. The validity of this prospectus will expire 12 months after the approval, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. The Company's obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.*

**VINGE**

## IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared by Bilia AB, a public limited liability company incorporated in Sweden, having its headquarters located at the address Norra Långebergsgatan 3, SE-421 32 Västra Frölunda, Sweden, with reg. no. 556112-5690 (the "**Company**", "**Bilia**" or the "**Issuer**") (together with its subsidiaries unless otherwise indicated by the context, the "**Group**", in relation to the application for listing of SEK 1,500,000,000 senior unsecured floating rate bonds with ISIN: SE0020358265 (the "**Bonds**") on Nasdaq Stockholm AB ("**Nasdaq Stockholm**"). DNB Bank ASA, Sweden Branch has acted as issuing agent in connection with the issue of the Bonds (the "**Issuing Agent**") and DNB Bank ASA, Sweden Branch and Nordea Bank Abp, filial i Sverige has acted as arrangers and joint bookrunners (jointly, the "**Arrangers**").

This Prospectus has been prepared in accordance with the standards and requirements under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and the rules and regulations connected thereto, as applicable. This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus has been produced in an English version only and shall be read together with all documents which have been incorporated by reference (see "*Documents incorporated by reference*") and any supplements to this Prospectus. This Prospectus will be available at the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se) and the Company's website [www.bilia.com](http://www.bilia.com). Paper copies may be obtained from the Company. Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds in this Prospectus (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, any references made to "**EUR**" and "**Euro**" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to "**SEK**" refer to Swedish krona.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should: (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements; (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency; (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. 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 US Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and may be subject to U.S. tax law requirements and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Issuer 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 Issuer 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 the Bonds comply with all applicable securities laws.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of, 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 the section "Risk factors" below.

As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB ("**SFBF**"), which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

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## Risk factors

*In this section, the risk factors which the Company considers to be material risks relating to the Company and its direct and indirect subsidiaries and the contemplated senior unsecured floating rate bonds are illustrated. The Company's assessment of the materiality of each risk factor is based on the probability of its occurrence and the expected magnitude of its negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.*

*The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. Terms not defined herein shall have the same meaning as ascribed to them in the terms and conditions for the Bonds (the “**Terms and Conditions**”).*

## Risks related to the Company and the Group

### 1.1 Macroeconomic risk

The demand for the Group's products and services are influenced by fluctuations in the business cycle. Demand and general market trends are affected by several factors outside the Group's control, such as the state of the labour market and the stock markets, the availability of capital for the Group's customers, government regulations, interest rates, pandemics and fuel prices. The Group conducts business in Sweden, Norway, Luxembourg and Belgium. A deterioration in the economic conditions globally, and/or in each specific market where the Group operates may reduce the demand for the Group's products and services. Sweden is the Group's main market where 113 out of the Group's 160 facilities are located. Further, in 2022, 59% of the Group's annual turnover was generated on the Swedish market, and the turnover on the Norwegian market made up for 32% of the annual turnover. The Group is thus particularly sensitive to macroeconomic changes in Sweden and/or Norway.

The Group's car business, which comprises sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance (the “Car Business”), generated approximately 75% of the Group's net turnover and 41% of the operational earnings in 2022. The Car Business, and especially the sale of new cars to private customers, is highly influenced by changes in the business cycle. In a worsened economic sentiment, some customers may choose to postpone or cancel their car purchases. Reduced demand for cars may also affect the value of cars in stock and cars sold with guaranteed residual values.

Moreover, in the event of a deep economic downturn, there is a risk that the Group's service business, which includes services and concepts that simplify car ownership, such as workshop services, automotive spare parts sales, wheel storage, car dismantling, store sales and online sales (the “Service Business”), would be adversely affected. The Service Business alone generated 58% of the Group's operational earnings in 2022, while it represented around 22% of the net turnover. Thus, should the macroeconomic sentiment

continue to worsen, the Group could further see a decrease in the demand for its car services, which may cause the Group's earnings to decrease significantly.

## **1.2 Risks related to authorisation and sales agreements**

The Group's core business consists of the distribution and servicing of cars and transport vehicles in Sweden, Norway, Luxembourg and Belgium. The Car Business generated approximately 75% of the Group's net turnover and 41% of its operational earnings for 2022. For new car sales through new and existing facilities, the Group needs the approval of the respective general agent, as there are no special rules governing competition for new car sales in the EU. A car manufacturer and/or general agent can unilaterally recall a sales authorisation and terminate its sales agreements with the Group. Most of the Group's sales authorisation agreements with general agents run for an in-definitive period and may be terminated by either party subject to 24 months' notice. Volvo, BMW and Toyota are the Group's most important business partners. The Group's current, five-year agreement with BMW expires on 30/9 2023, and the Group has received a new offer on the same principal terms. The Group is particularly dependent on its continued ability to deliver Volvo and BMW cars, since about 36% of all new cars delivered by the Group in 2022 were Volvo cars and approximately 31% were BMW cars. Thus, the recall, termination or renegotiation of authorisation agreements on less favourable terms, a change in balance between the manufacturer/general agent in respect of Volvo, BMW or Toyota would cause the Group's turnover and earnings to decrease. Further, a car manufacturer and/or general agent can become insolvent or default under its obligations, which could lead to market disturbances such as disruptions to the supply chain.

In particular, the Group could see its sales authorisation recalled, or that a sales agreement is terminated due to a car manufacturer and/or general agent moving, fully or partly, into own sales channels – especially digital sales channels. The Group also has digital sales channels for used cars and accessories. However, these digital sales channels do not comprise a significant part of the Group's net sales. Some car manufacturers/ general agents have established their own digital sales channels and announced a future target for direct sales of cars to customers. If and to what extent a car manufacturer/general agent, which the Group is collaborating with, moves, fully or partly, into own sales channels, or indirectly through subsidiaries, there is a risk that the Group's sales will decrease significantly.

## **1.3 Development of the Service Business and cars sold by the Group**

The Group's business is dependent on the Group's ability to develop services that appeal to the Group's customers. The Group's Service Business accounted for 58% of the Group's operational earnings in 2022. There is a continued need to recruit more technicians to meet the servicing demands due to new technologies, since the Service Business is rapidly growing (please refer to the risk factor "Key employee dependency"). The annual turnover for the Service Business grew by around 4% in 2022. The development work requires resources and the ability to develop such new services relies on the Group having the size, structure and financial strength required. One of the main challenges for the continued results for the Group's Service Business is the increased number of electric cars, as electric cars bring lower servicing turnover than cars that run on fossil fuels. The Group expects the frequency of electric cars to continue to increase during the coming

years, meaning it will need to adapt its business to not only be able to maintain the current growth rate of the Service Business, but also to maintain its earnings at the current level.

Moreover, the Group is dependent on the abilities of its business partners, in particular Volvo, BMW and Toyota, to develop competitive products that incorporate the technological advances. One example is the development of car models that run on sustainable fuel alternatives. Future technological development of the products can influence the Group's Service Business, for example in relation to the complexity of the products and/or motor technique (please refer to the risk factor "Development of the Service Business"). Should the products not meet the requirements of the market, or if the preferences among the Group's customers would change in an unforeseen way, it would lead to additional costs and decreased earnings for the Group.

#### **1.4 Risk for loss of strategic business locations**

The Group leases some of its facilities used for sales and service of cars and office equipment. As a tenant, the Group runs the risk of not having its lease renewed at the end of the rental period. The premises leased by the Group have been selected for their strategic locations and have been adapted to meet the Group's specific requirements – most of the facilities in Sweden and Norway are certified according to ISO 14001. A loss of premises at strategic business locations would lead to additional costs and possible, loss of customers and thus sales for the Group.

#### **1.5 Dependency on subsidiaries**

The Company is the ultimate parent company of the Group and does not conduct any income generating business operations of its own. This means that the Company's ability to make required payments of interest on its debts and funding is directly affected by its subsidiaries' ability to transfer available cash resources to it. The Company itself does not provide a considerable part of the Group's turnover, nor does it contribute to the Group's operating earnings. In 2022, the profit from the Company recorded an operating loss in the amount of SEK –101,000,000 whereas the Group's operating profit amounted to SEK 2,102,000,000. Thus, the Company's subsidiaries generate a considerable share of the Group's operational earnings. The transfer of funds to the Company from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries. There is a risk that limitations or restrictions on the transfer of funds between companies within the Group, becomes more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position.

#### **1.6 Key employee dependency**

The Group has several key employees in leading positions, such as operational managers. They contribute with high expertise and long business experience, which is important for the development of the Group's operations. Most of the employment contracts for the Group's management, including the MD, lack non-compete clauses subject to the termination of the contract. If several of these key employees would leave the Group simultaneously it could negatively affect the Group's business, results and financial status. Most

key employees may terminate their employments with the Group subject to six (6) months' notice.

Moreover, several of the Group's employees are directly or indirectly involved in the development of new services and concepts (please refer to the risk factor "Development of the Service Business"). If the Group is not successful in recruiting and keeping competent personnel that contribute to such development within the Group, it may reduce the possibilities of future growth and continued earnings, specifically within the Service Business – a business segment which had an annual turnover growth of approximately 4% during 2022.

## **1.7 Acquisitions**

A part of the Group's strategy is to work actively with the acquisition of companies and businesses, and strategic acquisitions will continue to be a part of the Group's growth strategy in the future. During the past few years, the Group has performed several acquisitions. Whether the Group achieves the anticipated benefits from each transaction depends, in part, upon the integration of the businesses involved, the performance and development of the underlying products, capabilities or technologies, the Group's correct assessment of assumed liabilities and the management of the operations in question. For example, the Group has suffered damages of about NOK 28,000,000 as a result of its acquisition of AS Insignia due to inadequate VAT reporting. According to the share purchase agreement, the seller's potential liability is limited to NOK 15,000,000. Accordingly, the Group's financial results could be adversely affected by unanticipated performance and liability issues, transaction-related charges, amortisation related to intangibles, warranties, charges for impairment of long-term assets and partner performance.

The Group is constantly evaluating add-on acquisitions. There is a risk that some acquisitions do not develop as planned or benefit the Group's operations as anticipated prior to the acquisition. Dilution of a company's brand, lack of understanding of the target company's business and other factors in connection with acquisitions of companies may prevent post integration-plans from being properly executed. Further, if acquisitions do not develop as anticipated, it will result in decreased earnings and possibly affect the Group's financial position.

## **1.8 Risks related to IT systems and processes**

The Group's ability to effectively and securely manage business-critical operations highly depends on its IT systems, including its IT infrastructure, and processes working well and without interruption. There is a risk that these systems will be disrupted by, for example, software failures, computer viruses, hacking, ransomware attacks, sabotage or physical damage, and the high pace of change in the overall IT environment carries with it an increased risk of data breaches. For the performance of all of the Group's internal communication and the possibility to conduct all forms of work within the Group, and for the maintenance of all external communication and customer relations, the everyday functionality of the IT system is of vital importance. For the everyday performance of selling new and used cars, as well as the performance of the service offered within the Service Business, the functionality of the IT systems and processes is essential. For the employees of the Group the access to the IT systems enables them to process clients and

offer them the support and information necessary to adhere to the demands of the customers. A malfunction within these areas therefore constitutes a risk that would severely impair the performance of the Group and of the services offered towards its customers.

There is also a risk that such a failure, or major disruption or difficulties in maintaining, upgrading and integrating these systems, may lead to a worsened reputation for the Group among its customers. Further, some updates of the Group's operating systems are conducted by external suppliers, meaning that the Group depends on the functionality of the IT systems provided by such suppliers. The Group also uses the externally provided cloud-based service Microsoft Azure to store information. Furthermore, any intrusion into the Group's IT systems, for example, from increasingly sophisticated attacks by cyber-crime groups, could disrupt its business, result in the disclosure of confidential information and/or create significant financial and/or legal exposure and the risk for damage to Group's reputation and/or brand. The degree to which IT failures and the materialisation of any IT risk may affect the Group is uncertain and presents a significant risk to the Group's operations.

## **1.9 Relationship with the unions**

Parts of the Group's workforce are members of, and represented by, various trade unions. There is a risk that conflicts occur between the Group and these unions. If such conflicts were to result in strike or lockout, this could cause interruptions in the Group's product and service offering. The Group currently maintains a workforce of approximately 5,000 employees in 4 countries. About 70% of these employees are employed within the Service Business, a segment which generated approximately 58% of the Group's total operational earnings in 2022. Continued operations within the Service Business is dependent on the employees' presence and performance. Conflicts in the Group's relationship with the unions resulting in a strike, would therefore pose a significant risk to the Group's continuous operations.

## **1.10 Warranties**

The Group has warranty obligations towards its customers. There is a risk that the allocations made in the current administration of those commitments proves not to be sufficient. If materialised, there is a risk that it will cause a negative impact on the Group's earnings and financial position. At year-end 2022, the Group had outstanding warranty accruals amounting to SEK 49,000,000. A materialisation of warranties in excess of the outstanding warranty accruals would affect the Group's earnings.

## **1.11 Risks relating to privacy legislation regarding the processing of personal data**

The Group's operations involve the processing of personal data, which means that the Group must comply with applicable privacy legislation regarding the collection and processing of information primarily related to customers and employees of the Group. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC



(General Data Protection Regulation) (“GDPR”) has been applicable in all EU member states and has as such replaced previous national personal data legislation. GDPR entails extensive changes to the EU personal data regulation, with a strengthening of individual rights, stricter requirements on companies handling personal data and tougher sanctions, including considerable administrative fines. The adherence to the new regulation, GDPR, is of vital importance and a failure to do so stipulates a risk that the Group will be required to pay considerable fines. The fines could be as high as 4% of the Group’s total turnover. Based on the figures for 2022, payable fines would amount to about SEK 1,400,000,000. In addition to this, the Group could also be forced to pay damages to individuals. Therefore, if the Group fails to comply with privacy and personal data legislation, it could face sanctions or other penalties, which could lead to increased costs and reputational damage to the Group.

## **Legal risks**

### **1.12 Legislation and regulations**

The Group’s main markets are extensively regulated, specifically the parts of the Group’s activities which can have an environmental impact such as fuel sales, car washing, paint shops and large workshops. In Sweden, such activities must be reported according to the Swedish Environmental Code (Sw. *Miljöbalken*). The businesses that require authorisation subject to the Swedish Environmental Code includes car washes, handling of fuels, oils and chemical products as well as the sale of fuels. There is a risk that tougher environmental requirements relating to above-mentioned activities will come into force, which could force the Group to change its methods and use of chemicals within the Service Business and fuel business which comprises the sale of fuels and car washes. In turn, this may lead to increased costs for the Group.

Further, there is a risk that the Group’s operations are negatively affected by changes in regulations, taxes, custom duties, tariffs, charges and subsidies, price and currency controls, and public law regulations and restrictions in the countries where the Group operates (please refer to the risk factor “Tax risks”). Also, new tax regulations regarding subsidization of electric cars within some countries can affect the Group and its business.

The increased demand for electrical cars in Sweden and Norway during the last years has partly been due to favourable tax systems for low emission vehicles such as electric cars. The tax rules were changed in the end of 2022. Consequently, the Group has seen a decrease in demand for electric cars and other low-emission vehicles. Further disadvantageous amendments to such legislations in Sweden and/or Norway could decrease the demand for new cars, resulting in decreased earnings for the Group.

### **1.13 Legal disputes, claims, investigations and injunctions**

The Group is, from time to time, involved in legal disputes, and subject to investigations and injunctions from authorities. However, the Group is not currently a party to any legal procedures or arbitration proceedings that have or have recently had a significant impact on the Group’s financial position or profitability. Nor is the board of directors of the Group aware of any circumstances that might lead to such legal procedures or arbitration

proceedings. There is a risk that the Group, or any of its trading partners, in the future becomes involved in legal processes with a negative outcome for the Group, which could result in increased costs for the Group and depending on the nature of the dispute or injunction, damages to the Group's reputation.

#### **1.14 Tax risks**

The Group operates in multiple tax jurisdictions. It conducts business in Sweden, Norway, Luxembourg and Belgium, and its operations are conducted in accordance with the Group's understanding and interpretation of applicable tax legislation, tax treaties and other regulations in all mentioned jurisdictions, as well as in accordance with the Group's understanding and interpretation of the relevant tax authorities. There is a risk that the Group's understanding and interpretation of the mentioned laws, treaties and regulations is not performed correctly. In addition to this, there is a risk that the tax authorities in the separate countries take decisions and make assessments that differ from those conducted by the Group. If a governmental authority successfully makes negative tax adjustments regarding an entity of the Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including retroactive changes, the Group's past or current tax position may be challenged. The Group is constantly seeking opportunities to expand its business. As mentioned above, the Group has during recent years acquired companies in countries outside of Sweden and it wishes to continue with a similar approach to expand its business. This also imposes the risk of having to operate within new jurisdictions and thereby having to understand and interpret even more tax regulations, and thereby expose the Group for new and unknown risks.

#### **1.15 Environmental risks**

The Group owns 16 properties, which entail environmental risks. Further, under Swedish law, a party who has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of the contaminated property, a party who has later acquired the property and had knowledge of the contamination at the time of acquisition or is deemed to ought to have detected it, the party which has acquired the property will be liable for remediation. Considering that the Group provides fuel sales, car washing, paint shops and large workshops, which are activities that must be reported under the Swedish Environmental Code (please refer to the risk factor "Legislation and regulations"), there is a risk that the Group's operations will contaminate sites and that it will be held liable for such remediation. As for car washing, the wastewater from the car washing-facilities passes through separators to eliminate heavy metals, oil and chemicals from leaking out into nature. Similar heavy metals, oil and chemicals can occur in the wastewater from the Group's wheel washers and scrubbers. The Group's activities together with the risk of inheriting liability from previous property owners in accordance with the above, constitutes a risk for remediation claims in respect of properties acquired or possessed by the Group. Depending on the scope and specific details of the contamination, such claims could entail significant costs for the Group.

## **Financial risks**

### **1.16 Valuation risk in relation to certain assets**

The Group has assets and liabilities that are initially valued using different expertise, such as goodwill and customer relations. At the end of 2022, the Group's goodwill was valued to SEK 1,520,000,000 and its customer relations was valued to SEK 998,000,000, a total increase of SEK 425,000,000 compared to 2021, comprising approximately 22% of the Group's total non-current assets in 2022. The valuation models used for the calculations of e.g. goodwill and customer relations are complex and based on forward looking assumptions, which give rise to a risk of wrong conclusions due to assumptions being used for the valuation models.

### **1.17 Currency risk**

The Group is exposed to different types of currency risks, meaning that the Group could suffer losses due to adverse currency movements. The Group is exposed to foreign exchange rate risk mainly from Euro ("EUR") and Norwegian Krone ("NOK"). The foremost exposure comes from currency risk fluctuations on translation of the assets and liabilities of foreign subsidiaries to the Company's functional currency, called translation exposure. Further, the Group is exposed through cash flow from loans and investments in foreign currencies, called financial exposure.

For example, based on the figures for 2022, a change in the exchange rate for NOK and EUR by +/- 10% against SEK, the pre-tax impact would be +/- SEK 55,000,000 against NOK, and +/-SEK 16,000,000 against EUR. Adverse exchange rate movements could therefore have a material adverse effect on the Group's financial position and operational results.

### **1.18 Interest rate risks**

Interest rate risk is defined as a decrease in profits caused by a change in market interest rates. The Group's sources of funds are primarily equity, cash flow from operating activities and borrowings. Interest rate risk arises when the interest rates cannot be changed simultaneously on the funding and lending sides. A deterioration of the Group's net interest due to an unfavourable and significant change in the Group's funding costs (which is not a result of a change in the market rates) could have a material adverse effect on the Group results of operations. Currently, the Group's borrowings mainly have floating rate which means that the Group is exposed to interest rate risk. As of 31 December 2022, a general increase in the interest rate by 1 percentage point was expected to reduce the Group's profit before tax exclusive IFRS 16 by approximately SEK -18,000,000. Higher market interest rates would thus result in increased interest costs for the Group.

### **1.19 Financing and liquidity risk**

The Group is exposed to different types of financing risks relating to its existing loans, including debenture loans, and other financial liabilities. The existing credits, include i.e.

the Group's credit facilities of SEK 2,300,000,000 with DNB Bank ASA, filial Sverige and Nordea Bank Abp, filial i Sverige, for which the Group has provided collateral securities. Further, the Group has issued unsecured bonds on several occasions, which will mature in the period 2023-2025. The total amount outstanding of such previously issued bonds (excluding the Bonds) was, at year-end 2022, SEK 1,300,000,000.

In order to meet its future capital needs, the Group is dependent on sufficient cash flow, liquid assets and external capital. The Group cannot always control the availability of external capital since the availability depends on credit availability within the financial markets, the Group's credit capacity, general market conditions and the Group's credit rating. The Group is influenced by the global and national economic situations, and a worsened economic sentiment could affect the Group's cash flow (please refer to the risk factor "Macroeconomic risk"). The availability of external capital could also be affected by the fact that, in the Group's contractual agreements with the banks, there are restrictions regarding the Group's right to provide collateral or guarantees. There is thus a risk that the Group cannot meet its payment obligations at maturity due to insufficient liquidity, or that the Group is unable to obtain adequate financing and/or refinance its existing loans on acceptable terms. A failure to meet its current or future financial commitments and to renew or refinance current or future credit facilities on acceptable terms and conditions, would in turn have a material adverse effect on the Group's liquidity and financial position.

## **1.20 Credit risk**

The Group is exposed to different credit risks. Cars sold by the Group are, to a great extent, financed by Volvofinans AB, either through leasing or purchase on credit agreements. The Group's rights and liabilities under said agreements are assigned to Volvofinans AB. Should the customer default under its obligations, Volvofinans AB has a right to reassign the agreement to the Group. Hence, the Group assumes a credit risk if the customer's debt exceeds the residual value of the car. At the end of 2022, the total value of the contracts containing recourse obligations for the Group amounted to approximately SEK 4,700,000,000.

If the Group's customers default under their obligations, the Group will miss out on payments on its trade receivables. Such a risk constitutes a so-called customer credit risk. There is a risk that the Group's customers do not fulfil their obligations towards the Group, and as a consequence, negatively impact the Group's operations, earnings and financial position. At the end of 2022, the Group possessed trade receivables to a total amount of approximately SEK 1,800,000,000. Further, if any of the Company's subsidiaries default under its obligations or becomes insolvent, the Company could be forced to make payments under parent company-guarantees. If the risk would materialise, it would adversely affect the Company's financial position. As the Company is dependent on its subsidiaries (please refer to the risk factor "Dependency on subsidiaries"), the Company and the business of the Group would be negatively affected by defaults or insolvencies amongst its subsidiaries.

## **Risks relating to the Bonds**

### **1.21 Credit risks**

The Bonds represent an unsecured obligation of the Company, and an investment in the Bonds carries with it a credit risk relating to the Company and the Group. The Company has incurred, and may further incur, other financial indebtedness than the Bonds and provide security for such indebtedness. If the Company's financial position deteriorates it is likely that the credit risk associated with the Bonds will increase as there would be an increased risk that the Company cannot fulfil its obligations under the Terms and Conditions. The Company's financial position is affected by numerous risk factors, some of which have been outlined above and in the event of bankruptcy, reconstruction or winding-up of the Company, the holders of the Bonds normally receive payment after any priority creditors have been paid in full. Thus, there is a risk that investors in the Bonds lose all or part of their respective investment if the Company is declared bankrupt, carries out a reconstruction or is wound-up.

An increased credit risk could result in the market pricing the Bonds at a higher risk premium, which could adversely affect the market value of the Bonds. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit rating, which could affect the Company's ability to refinance the Bonds on favourable terms or at all, which in turn could adversely affect the Company's financial position. Another aspect of the credit risk is that there is a risk that any deterioration in the financial position of the Group will reduce the possibility for the Group to meet interest payments and redeem the Bonds.

### **1.22 Risk related to interest rate structure and benchmarks**

The market value of the Bonds depends on several factors, with one of the most important factors being the market interest rates. The Bonds will bear a floating rate interest at the rate of STIBOR plus a margin, and the interest rate will be determined for each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. There is a risk that the market value of the Bonds is adversely affected by changes in market interest rates. An increase in the general interest levels could adversely affect the market value of the Bonds. As the market rate of interest is largely dependent on the Swedish and international economic development and the actions of central banks, this is a risk factor which the Company and the Group cannot control.

Further, the process for determining STIBOR and other interest rate benchmarks ("Benchmarks") is subject to a number of regulatory reforms. The most comprehensive initiative on this area is the Benchmarks 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 "BMR") which came into force on 1 January 2018 and regulates the provision of Benchmarks, the contribution of input data to Benchmarks and the use of Benchmarks within the EU. Increased administrative requirements and the regulatory risks associated therewith could lead to participants no longer wanting to participate in the determination of Benchmarks, or that certain Benchmarks are discontinued. The degree to which amendments to and application of the BMR may affect

the Bondholders is uncertain and presents a low significant risk to the return on the Bondholder's investment.

There is a risk that the Benchmark Regulation may affect how certain benchmarks are calculated and how they will develop which, in turn, could lead to increased volatility in relation to STIBOR and any other Successor Base Rate, and, thus, in relation to the interest rate of the Bonds. There is also a risk that increased administrative requirements may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of STIBOR and any other Successor Base Rate it could potentially be detrimental to the Bondholders. More specifically, should STIBOR be discontinued or cease to be provided, the Terms and Conditions provides for an alternative calculation of the interest rate for the Bonds. There is a risk that such alternative calculation results (including the determination of any Successor Base Rate) in interest payments less advantageous for the Bondholders or that such interest payment do not meet market interest rate expectations.

### **1.23 Risks relating to admission to trading**

The Company has undertaken to ensure that the Bonds are admitted to trading on Nasdaq Stockholm (or another regulated market) within 120 days from the First Issue Date. However, the Company is dependent upon the approval of Nasdaq Stockholm or another Regulated Market, whereas there is a risk that the Bonds will not be admitted to trading on a Regulated Market.

Furthermore, even if the Bonds are admitted to trading on a Regulated Market, the securities are not always traded actively. Hence, there is a risk that the Bonds may not always be actively traded, especially considering the relatively high nominal amount of each Bond; SEK 2,000,000. Consequently, there is a risk that the holders of the Bonds will be unable to sell their Bonds when desired or at a price level which allows for a profit. Moreover, there is a risk that lack of liquidity in the market has an adverse effect on the market value of the Bonds. Further, the nominal value of the Bonds may not be indicative compared to the market value of the Bonds. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds on reasonable terms, or at all, due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

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

Almost all assets are owned by and all revenues are generated in subsidiaries of the Company. Thus, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to make payments under the Bonds. The subsidiaries have no obligation to make payments to the Company of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and law.

Furthermore, in the event of insolvency, liquidation or a similar event relating to any of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the

subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain of the Company's subsidiaries could result in the obligation of the Company to make payments under parent company financial guarantees in respect of such subsidiaries' obligations. This could have a material adverse effect on the Company's financial position and results of operations and on the Bondholders' recovery under the Bonds.

## **1.25 No action against the Company and Bondholders' representation**

In accordance with the Terms and Conditions, Nordic Trustee & Agency AB (the "Agent") will represent the Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking unilateral action against the Company. Consequently, individual Bondholders do not have the right to take legal action to declare any default by claiming any payment from the Company and may therefore lack effective remedies against it, unless and until a requisite majority of the Bondholders agree to take such action. Consequently, there is a risk that the market value of the Bonds will decrease, while a requisite majority is not willing to take necessary legal actions against the Company. The unwillingness of a majority of Bondholders to act could thus damage the value of other Bondholders' investments in the Bonds. However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could adversely affect an acceleration of the Bonds or other action against the Company for example, would an individual Bondholder initiate a bankruptcy proceeding against the Company, such proceeding could, despite being in breach of the Terms and Conditions, be legally valid, and consequently, cause damage to the Company and/or the other Bondholders.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures, including the right to agree to amend and waive provisions under the Terms and Conditions on behalf of all Bondholders. Consequently, there is a risk that the actions of the Agent affect a Bondholder's rights under the Terms and Conditions in a manner that is undesirable or negative for some Bondholders. Consequently, the materiality of such risk is dependent on the preferences of each Bondholder.

## **1.26 Risks related to put options**

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each Bondholders (put options) upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event. Since a part of the Group's financing consists of the Bonds there is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds, which could adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option.

## **1.27 Bondholder's meetings and written procedures**

The Terms and Conditions include certain provisions regarding Bondholders' meetings and written procedures. Such meetings or written procedures may be held in order to decide on matters relating to the Bondholders' interests. The Terms and Conditions allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or written procedure and those who have voted differently to the required majority at a duly convened and conducted Bondholders' meeting or written procedure. Consequently, the actions of the majority in such matters could impact a Bondholder's rights in a manner that would be undesirable for some of the Bondholders.



## **Statement of Responsibility**

The issuance of the Bonds was authorised by resolutions taken by the Board of Directors of the Company on 8 June 2023 and was subsequently issued by Bilia on 26 June 2023.

This Prospectus has been prepared in connection with Bilia's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation.

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

The Company is responsible for the information given in this Prospectus. The Company is the source of all company specific data contained in this Prospectus and neither the bookrunners nor any of their representatives have conducted any efforts to confirm or verify the information supplied by the Company.

There is no information in this Prospectus that has been provided by a third party. The Board of Directors confirms that, to their best knowledge, the information contained in this Prospectus, including the registration document and the securities note, is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Gothenburg, 13 September 2023

**Bilia AB**

The Board of Directors

## The Bonds in Brief

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

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| <b><i>Issuer:</i></b>                          | Bilia AB, a Swedish public limited liability company with Reg. No 556112-5690.   |
| <b><i>Bonds:</i></b>                           | Senior unsecured floating rate bonds in a maximum aggregate nominal amount of SEK 1,500,000,000.<br><br>Each Bond has a Nominal Amount of SEK 2,000,000.   |
| <b><i>Bonds to be admitted to trading:</i></b> | This Prospectus relates to admission to trading of the 400 Bonds issued by the Issuer on the First Issue Date, an aggregate total nominal amount SEK 800,000,000.  |
| <b><i>ISIN:</i></b>                            | SE0020358265   |
| <b><i>Issue Date:</i></b>                      | 26 June 2023   |
| <b><i>Issue Price:</i></b>                     | The Bonds are issued at a price equal to 100 per cent. of the Nominal Amount.  |
| <b><i>Interest:</i></b>                        | Interest on the Bonds will be paid at a floating rate of STIBOR (3 months) plus 2.75 per cent. per annum.<br><br>Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).   |
| <b><i>Benchmark Regulation:</i></b>            | The interest payable under the Bonds is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.<br><br>As at the date of this Prospectus, the SFBF which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and |

|                                       |  |
|---------------------------------------|--|
|                                       | Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).  |
| <b><i>Interest Payment Dates:</i></b> | 26 March, 26 June, 26 September and 26 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 26 September 2023 and the last Interest Payment Date shall be the relevant Redemption Date.   |
| <b><i>Nominal Amount:</i></b>         | The Bonds will have a nominal amount of SEK 2,000,000.   |
| <b><i>Status of the Bonds:</i></b>    | <p>The Bonds are denominated in Swedish Krona and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among them and at least pari passu with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.</p>                                |
| <b><i>Use of proceeds:</i></b>        | <p>The Issuer shall apply the Net Proceeds from the issuance of the Initial Bonds towards (i) the market repurchase of all or some of the Existing Bonds and (ii) general corporate purposes (including acquisitions and investments) of the Group.</p> <p>The Issuer shall apply the Net Proceeds from the issue of any Subsequent Bonds towards general corporate purposes (including acquisitions and investments) of the Group.</p>  |
| <b><i>Listing:</i></b>                | <p>The Issuer has the intention to list the Initial Bonds and any Subsequent Bonds (if any) on the corporate bond list of Nasdaq Stockholm (or, if such listing is not possible to obtain or maintain, on any other Regulated Market) within thirty (30) days after the First Issue Date, or in respect of Subsequent Bonds, after the relevant Issue Date.</p> <p>Following an admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Bonds are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.</p> |

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| <b>Central Securities Depository (CSD):</b> | <p>The Issuer’s central securities depository and registrar in respect of the Bonds, from time to time, is initially, Euroclear Sweden AB (“<b>Euroclear</b>”), Swedish Reg. No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.</p> <p>The Bonds will be connected with the account-based system of Euroclear, for the purpose of having the payment of interest and principal managed by Euroclear. The Bonds have been registered for the Bondholders on their respective Securities Accounts and no physical notes have or will be issued.</p> |
| <b>Agent:</b>                               | <p>Nordic Trustee &amp; Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.</p>  |
| <b>Transferability:</b>                     | <p>The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.</p>   |
| <b>Redemption Date:</b>                     | <p>The Final Maturity Date is 26 June 2028.</p> <p>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.</p>   |
| <b>Time-Bar:</b>                            | <p>The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date.</p> <p>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.</p>  |
| <b>Rights:</b>                              | <p>A request by the Agent for a 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.</p>   |
| <b>Governing law:</b>                       | <p>The governing law of the Bonds is Swedish law.</p>  |
| <b>Credit rating:</b>                       | <p>The Bonds have not received any credit rating.</p>  |

## Information about the Company

### Description of Bilia AB

Bilia AB, is a Swedish public limited liability company established on 14 September 1967 and registered with the Swedish Companies Registration Office, with registration number 556112-5690, on 18 October 1967. The Company's legal and commercial name is Bilia AB and its Legal Entity Identifier (LEI) code is: 2138002GW5WN1UYZAO32. Bilia's registered office is Box 9003, SE-400 91, Gothenburg, Sweden. Bilia's operations are regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Bilia's shares are listed on Nasdaq Stockholm. Due to the previous split between classes of shares, the shares are called "BILI A".

The Company's website is [www.bilia.com](http://www.bilia.com). Please note that the information on the Group's website does not form part of this Prospectus.

In accordance with the current articles of association of the Company, adopted on 27 April 2021, the object of the Company is – directly or via subsidiaries – to:

- Carry on trade and distribution activities with regard to means of transport, carry on manufacture, trade and distribution in other product areas as well.
- Carry on sales of service and spare parts associated with the products.
- Manage real and movable estate, including shares.
- Carry on financing activities (except that the company shall not carry on such activities as are referred to in the Banking Business Act, and that activities subject to the provisions of the Act on Credit Market Companies may only be carried on in subsidiaries).
- Carry on other activities consistent with the above types of business.

### Business overview

#### *Business concept*

The Group's business concept is to be a full-service supplier with one of the widest ranges of products and services on the market and offers assistance with everything related to car ownership during the entire life cycle of the car, from a purchase of a new car to recycling of parts from a dismantled car. The customers are to be treated as guests and the Group aim to create a better customer experience.

The Group is a European car dealership chain and provides servicing and sales of cars and transport vehicles plus supplementary services such as financing and insurance solutions to facilitate the car purchase process. As of 30 June 2023, the Group had 157 facilities in Sweden, Norway, Luxembourg and Belgium in addition to one online auction site in Sweden. A part of the Group's strategy is to expand its business via acquisitions.

The Group's Service Business includes a well-developed range of services and service concepts that are continuously developed to simplify car ownership for the customers throughout the life cycle of the car. The Service Business includes workshop services, spare parts, wheel storage, rim repair, car dismantling, store sales and e-commerce. There is a continued need to recruit more technicians to meet the demand for servicing. As for challenges within the Service Business, new technologies for new cars place demands on ongoing employee training. One long-term challenge is that electric cars are believed to bring lower servicing turnover than cars that run on fossil fuels. The number of electric cars sold is expected to increase in the years ahead, provided the tax systems are favorable. The Group plans to gradually adapt its business in line with the changing stock of cars.

The Group's Car Business includes sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance solutions. The Group sells cars from Volvo, BMW, Mini, Toyota, Lexus, Mercedes-Benz, Porsche, Volkswagen, Audi, Skoda, Seat, Cupra, Nissan, Jaguar, Land Rover, XPENG, Renault, Dacia, Alpine and transport vehicles from Toyota, Mercedes-Benz, Volkswagen, Nissan and Renault and trucks from Mercedes-Benz. As for challenges within the Car Business, if the market slows down, it could have an adverse effect on sales of new cars. Sales of used cars, however, tend to increase in a market with lower sales of new cars. The sales of new cars are dependent on continuing agreements together with general agents which allows the Group to continue to sell cars of the respective general agent's brands.

The Group's Fuel Business comprises the sale of fuels and car washes located in Sweden. As for challenges within the Fuel Business, the Group has experienced some difficulties with obtaining approval for new locations so as to extend service and replace facilities that have been closed. Further, the increasing number of electric and hybrid cars could affect fuel sales in the longer term.

The Group owns some real estate but leases most of its facilities for its operations. Moreover, the Group's IT-systems and the functionality of external and internal communication is significant in nature and carried out by inhouse resources.

### ***Vision***

The Group's vision is to be the best service company in the business through consideration for our customers, colleagues and the world we live in. The Group strives to be the best service company in the business and to create a sustainable business by offering attractive and innovative solutions for the mobile human being. The solutions include full-service workshops, showrooms offering high availability and a customer service that is available every day, round the clock. Through consideration and professional pride, the Group establishes a relationship with the customer that is crucial to the customer's choice. The Group's customer relations distinguish Bilia from other players in the business.

### **Material changes, investments and information on trends**

On the Annual General Meeting 2023 on 26 April, the meeting resolved in favor of a dividend of SEK 8.80 per share, to be paid on four record dates with SEK 2.20 on each record date. The first record date was 2 May 2023, the second record date was 11 July 2023 and the remaining record dates are 9 October 2023 and 9 January 2024.

On 16 June 2023, Bilia repurchased SEK 768,000,000 of the SEK 1,500,000,000 of Bilia's unsecured bonds with ISIN: SE0011751361 and maturity in October 2023 at a price of 100.5 per cent of the nominal amount. In connection therewith, Bilia issued the Bonds.

There has been no:

- i. significant change, other than as described above and in relation to the issuance of the Bonds on 26 June 2023, in the financial or market position of the Group since the latest published annual report;
- ii. material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement;
- iii. recent events particular to the Company, other than the issuance of the Bonds on 26 June 2023, which is to a material extent relevant to the evaluation of the Company's solvency since the publication of the Group's latest financial report; and
- iv. significant change 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.

## Organisational structure

Bilia is as of the date of this Prospectus the parent company of 50 directly or indirectly owned subsidiaries. Since Bilia's operations are carried out through its subsidiaries in Sweden, Norway, Luxembourg and Belgium, Bilia is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions, with of all the revenues being generated within the subsidiaries.

## Corporate governance

There is one major shareholder in Bilia within the meaning of the Swedish Code of Corporate Governance (Sw. *Svensk kod för bolagsstyrning*) (the "**Code**"), subject to which a "major shareholder" is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company (for information on major shareholders, please refer to the section "*The Share*" below). However, to the Company's knowledge, as at the date of this Prospectus, there is no entity and/or person that, directly or indirectly, owns or controls more than 50 per cent of the shares, ownership interest or votes in Bilia.

Bilia's shareholders, including any major shareholder, exercise their influence through active participation in the decisions made at the shareholder's meeting. In order to ensure that control over Bilia is not abused, Bilia complies with the provisions of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and acts in line with, inter alia, the Code, the rules of procedure for the Board of Directors and the instructions for the CEO adopted by Bilia. Furthermore, Bilia has appointed special committees for compensation issues and audit issues.

## Credit ratings

Neither the Company nor the Bonds have been assigned any credit rating.

## Dispute and litigation

The Group is, from time to time, involved in legal disputes, and subject to investigations and injunctions from authorities. However, neither the Company nor the Group are, or have over the past twelve months been, party to any legal governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatening, and which could lead to the Company or any member of the Group becoming a party to such proceedings.

## Interest of advisors

The Arrangers may in the future provide the Company with financial advice and participate in transactions with the Company, for which the Arrangers may receive compensation. All services provided by the Arrangers, and also those provided in connection with the issue, are provided by the Arrangers as independent advisors. Accordingly, conflicts of interest may exist or may arise as a result.

Advokatfirman Vinge KB has acted as legal advisor to the Company in connection with the issue and listing of the Bonds and has no conflicting interest with the Company or the Group.

## The share

The total number of shares in the company as of the date of this Prospectus is 96,299,952. All issued shares have equal rights in the company and are entitled to one vote at the Annual General Meeting. Bilia's shares are listed on Nasdaq Stockholm and can be transferred freely there, subject to the rules of the exchange.

## Ownership structure

On 30 June 2023, Bilia had 38 914 shareholders. On 30 June 2023, the share capital amounted to SEK 256,999,880, divided among 96,299,952 shares.<sup>1</sup> The quotient value is approximately SEK 2.67 per share. Each share represents one (1) of a vote. Bilia's largest shareholder is Mats Qviberg with family, the next-largest shareholder in Bilia is Investment AB Öresund followed by State Street Bank And Trust Co, W9. As far as the Issuer is aware, there is no significant direct or indirect ownership or control over the Issuer other than as disclosed in this Prospectus, nor are there any shareholders' agreements or other agreements which could result in a change in control of the Issuer. Bilia's shares are traded on Nasdaq Stockholm. Below is a list of the ten largest shareholders in Bilia as of 30 June 2023.

| Shareholders as of 30 June 2023       | Holdings,<br>Class A shares | Capital/Votes,<br>(%) |
|---------------------------------------|-----------------------------|-----------------------|
| Mats Qviberg with family <sup>2</sup> | 13,250,725                  | 13.76                 |

<sup>1</sup> Including Bilia's repurchased own shares (4,315,709 shares).

<sup>2</sup> As of 30 June 2023, Mats Qviberg owned 13,250,725 shares in Bilia, directly or indirectly through companies or related parties, of which he personally held 5,917,796 shares.



|  |                   |              |
|--|-------------------|--------------|
| Investment AB Öresund                    | 9,860,000         | 10.24        |
| STATE STREET BANK AND TRUST CO, W9       | 8,345,259         | 8.67         |
| Anna Engebretsen with family             | 5,170,360         | 5.37         |
| Bilia AB (publ) (repurchased own shares) | 4,315,709         | 4.48         |
| BNY MELLON SA/NV (FORMER BNY), W8IMY     | 3,152,502         | 3.27         |
| JP MORGAN CHASE BANK NA                  | 2,362,144         | 2.45         |
| Morgan Stanley & Co Intl Plc, W8imy      | 2,136,243         | 2.22         |
| Folksam                                  | 1,843,318         | 1.91         |
| BNY Mellon Na (Former Mellon), W9        | 1,786,230         | 1.86         |
| <b>Total</b>                             | <b>52,222,490</b> | <b>54,23</b> |
| Others                                   | 44,077,462        | 45,77        |
| <b>Total</b>                             | <b>96,299,952</b> | <b>100</b>   |

## Board of directors, executive management and auditor

### *Board of directors*

Bilia's Board of Directors consists of eight board members including the chairman and deputy chairman, elected by the Annual General Meeting, together with two additional members who represent the employees and two deputy employee representatives. The Annual General Meeting elected members are elected for one year. There is no limit to how long a member can sit on the board. All members of the Board of Directors can be contacted through Bilia's registered address, Box 9003, SE-400 91 Gothenburg, Sweden.

The following information, regarding the Board of Directors and executive management, reflects the conditions on 13 September 2023.

|  |                                   |
|--|-----------------------------------|
| <b>MATS QVIBERG</b>  |                                   |
| <i>Chairman. Member of the Board of Directors since 2003. Born 1953.</i> |                                   |
| <b>Other assignments:</b>  | Investment AB Öresund (chairman). |

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|---|---|
| <b>JAN PETTERSSON</b>   |   |
| <i>Deputy Chairman. Member of the Board of Directors since 2003. Born 1949.</i> |   |
| <b>Other assignments:</b>   | Active Driving AB (chairman) and Trosta Park AB (chairman). |

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|--|---|
| <b>INGRID JONASSON BLANK</b>                                   |   |
| <i>Member of the Board of Directors since 2006. Born 1962.</i> |   |
| <b>Other assignments:</b>                                      | Musti Group Oy (vice chairman), Forenom Group Oy (board member), Kjell Group AB (chairman), Haypp Group AB (chairman), Aim Apparel AB (chairman), Citygross AB (board member), Meds AB (board member), and Astrid Lindgren AB (board member). |

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| <b>ANNA ENGBRETSSEN</b>  |  |
| <i>Member of the Compensation Committee. Member of the Board of Directors since 2010. Born 1982.</i> |  |
| <b>Other assignments:</b>  | Investment AB Öresund (board member), MQ MarQet AB (board member) and Stenhus Fastigheter i Norden AB (publ) (board member). |

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| <b>NICKLAS PAULSON</b>   |  |
| <i>Chairman of the Compensation Committee. Member of the Board of Directors since 2018. Born 1970.</i> |  |
| <b>Other assignments:</b>  | Investment AB Öresund (MD), Ovzon AB (board member). |

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| <b>CAROLINE AF UGGLAS</b>   |  |
| <i>Member of the Audit Committee. Member of the Board of Directors since 2022. Born 1958.</i> |  |

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|---------------------------|--|
| <b>Other assignments:</b> | ACQ Bure AB (board member), Beijer Alma AB (board member), Lifco AB (publ) (board member), Investment AB Spiltan (board member) and Trapets AB (board member). |
|---------------------------|--|

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|---|--|
| <b>JON RISFELT</b>  |  |
| <i>Chairman of the Audit Committee. Member of the Board of Directors since 2003. Born 1961.</i> |  |
| <b>Other assignments:</b>   | Knowit AB (chairman), CAB Group AB (chairman), Axentia Group Holding AB (chairman), SOS International AS (chairman) and Projektengagemang AB (board member). |

|   |                       |
|---|-----------------------|
| <b>GUNNAR BLOMKVIST</b>   |                       |
| <i>Member of the Compensation and Audit Committees. Employed by Bilia AB from 1984 to 2017, most recently as CFO. Member of the Board of Directors since 2017. Born 1955.</i> |                       |
| <b>Other assignments:</b>   | No other assignments. |

|   |                       |
|---|-----------------------|
| <b>PATRIK NORDVALL</b>                                |                       |
| <i>Employee representative since 2004. Born 1967.</i> |                       |
| <b>Other assignments:</b>                             | No other assignments. |

|   |  |
|---|--|
| <b>ISAK EKBLOM</b>                                    |  |
| <i>Employee representative since 2023. Born 1988.</i> |  |
| <b>Other assignments:</b>                             | ABF Sydvästra Götaland (board member), IF Metall Avdelning 36 (deputy board member), Bilreparatörernas Yrkesklubb Göteborg (board member). |

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| <b>FREDRIK SÄFSTEN</b>                                       |  |
| <i>Deputy employee representative since 2023. Born 1977.</i> |  |

|                           |   |
|---------------------------|---|
| <b>Other assignments:</b> | IF Metall Stockholm (board member), Bilia Verkstadsklubb Stockholm (position of trust), Bilia LO-Klubbar (position of trust). |
|---------------------------|---|

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|--|---|
| <b>MARIA FINTH JULIN</b>                                     |   |
| <i>Deputy employee representative since 2023. Born 1990.</i> |   |
| <b>Other assignments:</b>                                    | Ledarna (union representative), Ledarna Klubb Stockholm (union representative). |

### ***Executive management***

As of the day of this Prospectus, the Group Management consists of Per Avander (Managing Director and CEO) Stefan Nordström (Deputy Managing Director) Kristina Franzén (CFO) Frode Hebnes (Managing Director of Bilia Norge AS, Norway), Elin Delvert (HR Director), Anders Rydheimer (Director of Communication, Digital & Business Development), Carl Fredrik Ewetz (Chief Investor Relations and M&A), Mathias Nilsson (Managing Director of Bilia Personbilar AB) and Anna Höglund (CEO of Motorit AB).

All members of executive management can be contacted through Bilia's registered address, at Box 9003, 400 91 Gothenburg, Sweden.

|   |   |
|---|---|
| <b>PER AVANDER</b>                                    |   |
| <i>Managing Director and CEO of Bilia. Born 1961.</i> |   |
| <b>Other assignments:</b>                             | Volvofinans Bank AB (board member) and Svenskt Näringsliv (board member). |

|  |   |
|--|---|
| <b>STEFAN NORDSTRÖM</b>                              |   |
| <i>Deputy Managing Director of Bilia. Born 1966.</i> |   |
| <b>Other assignments:</b>                            | Svensk Finansservice AB (board member). |

|                                 |  |
|---------------------------------|--|
| <b>KRISTINA FRANZÉN</b>         |  |
| <i>CFO of Bilia. Born 1966.</i> |  |

|                           |                       |
|---------------------------|-----------------------|
| <b>Other assignments:</b> | No other assignments. |
|---------------------------|-----------------------|

|  |   |
|--|---|
| <b>FRODE HEBNES</b>  |   |
| <i>Managing Director of Bilia Norge AS, Norway. Born 1972.</i> |   |
| <b>Other assignments:</b>                                      | My Private Label AS (board member), Norges Bilbransjeforbund (board member), Expon AS (deputy board member), Expon Holding AS (deputy board member) and Expon Eiendom AS (deputy board member). |

|                                |   |
|--------------------------------|---|
| <b>ELIN DELVERT</b>            |   |
| <i>HR Director. Born 1971.</i> |   |
| <b>Other assignments:</b>      | Transportföretagen TF AB (board member) and Motorbranschens Arbetsgivareförbunds Service Aktiebolag (board member). |

|  |  |
|--|--|
| <b>ANDERS RYDHEIMER</b>  |  |
| <i>Director of Communication, Digital and Business Development. Born 1976.</i> |  |
| <b>Other assignments:</b>  | Wayke Sweden AB (board member), Newsh AB (board member) and VH System AB (board member). |

|   |                       |
|---|-----------------------|
| <b>CARL FREDRIK EWETZ</b>                               |                       |
| <i>Chief Investor Relations and M&amp;A. Born 1976.</i> |                       |
| <b>Other assignments:</b>                               | No other assignments. |

|  |  |
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| <b>MATHIAS NILSSON</b>                                       |  |
| <i>Managing Director of Bilia Personbilar AB. Born 1971.</i> |  |

|                           |                       |
|---------------------------|-----------------------|
| <b>Other assignments:</b> | No other assignments. |
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|                                      |                       |
|--------------------------------------|-----------------------|
| <b>ANNA HÖGLUND</b>                  |                       |
| <i>CEO of Motorit AB. Born 1979.</i> |                       |
| <b>Other assignments:</b>            | No other assignments. |

### ***Other information about the Board of Directors and the executive management***

Three of the Company's board members are to be regarded as dependent in relation to the Company's major owners in accordance with the Code. This means that there is a theoretical dependency, but no de facto dependency is considered to exist. Other than that, there are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and executive management of Bilia and their private interests and/or other undertakings (however, several members of the Board of Directors and executive management have financial interests in Bilia as a result of their shareholding in Bilia).<sup>3</sup>

### ***Auditor***

The auditors of Bilia are elected by the Annual General Meeting. KPMG AB was Bilia's public accounting firm between 2010 for the period up to the 2021 Annual General Meeting. Johan Kratz, born 1963, Authorised Public Accountant, KPMG AB and member of FAR was the auditor in charge at Bilia from 2017 to the period up to the 2021 Annual General Meeting.

PricewaterhouseCoopers AB has been Bilia's public accounting firm since 2021 and was re-elected in 2023 for the period up to the 2024 Annual General Meeting. Fredrik Göransson, born 1973, Authorised Public Accountant, PricewaterhouseCoopers AB and member of FAR has been the auditor in charge at Bilia since 2021.

Auditors will once again be elected at the Annual General Meeting 2024. No circumstance relating to this advisory role has been judged to influence the impartiality and independence of the auditors. PricewaterhouseCoopers AB's registered address is SE-113 97 Stockholm.

### **Shareholder agreements**

Bilia is not aware of the details of any provision in the arrangement between its shareholders, the operation of which may at a subsequent date result in a change in control of the Company.

### **Material agreements**

Neither Bilia, nor the Group have entered into any material agreements outside of the ordinary course of business which could materially affect Bilia's ability to fulfil its obligations under the Bonds.

<sup>3</sup> As defined in the Swedish Code of Corporate Governance.

## **Clearing and settlement**

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 800,000,000. Each Bond has a nominal amount of SEK 2,000,000. The ISIN for the Bonds is SE0020358265.

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

## **Representation of the Bondholders**

Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) is acting as Agent for the holders in relation to the Bonds, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

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 (Norrländsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours as well as at the Agent's website [www.nordictrustee.com](http://www.nordictrustee.com).

## **Expected date of listing, market place and costs relating to the listing**

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 14 September 2023, for which listing this Prospectus has been prepared.

Bilia expects the aggregate cost in connection with the admission to trading to amount to approximately SEK 200,000.

## **Documents available for inspection**

Hard copies of the following documents are available for review during the period of validity of this Prospectus at Bilia's head office at Norra Långebergsgatan 3, SE-421 32, Västra Frölunda, Västra Götalands län, Sweden, during ordinary weekday office hours and, in electronic form, on the Company's website [www.bilia.com](http://www.bilia.com):

- The Group's audited consolidated financial statements, including the auditor's report, for the financial years 2021 and 2022;
- The Group's interim report for the period 1 April – 30 July 2023;
- this Prospectus and the Terms and Conditions;
- Bilia's articles of association as of the date of this Prospectus;
- Bilia's certificate of registration; and
- all documents that have been incorporated by reference in this Prospectus.

Please note that the information on the Group’s website does not form part of this Prospectus, unless explicitly incorporated by reference, and has not been scrutinised or approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

## Documents incorporated by reference

The documents in the below table have been incorporated in this Prospectus by reference. The documents have been made public prior to the publication of this Prospectus and are available in electronic format on the Company’s website, [www.bilia.com](http://www.bilia.com), during the period of validity of this Prospectus.

| SOURCE   | INFORMATION  |
|--|--|
| The audited consolidated financial statements of the Group, including the auditor’s report, for the financial year 2021 can be found on the following link: <a href="#">The Group’s annual report 2021</a>       | The consolidated statement of income and other comprehensive income can be found on pages 48-49, the consolidated statement of financial position can be found on pages 50-51, the consolidated statement of changes in equity can be found on pages 52-53, the consolidated statement of cash flows can be found on pages 54-55, the notes to the consolidated financial statements and information on accounting principles can be found on pages 56-92 and the auditor’s report can be found on pages 109-112.  |
| The audited consolidated financial statements of the Group, including the auditor’s report, for the financial year 2022 can be found on the following link: <a href="#">The Group’s annual report 2022</a>       | The consolidated statement of income and other comprehensive income can be found on pages 54-55, the consolidated statement of financial position can be found on pages 56-57, the consolidated statement of changes in equity can be found on pages 58-59, the consolidated statement of cash flows can be found on pages 60-61, the notes to the consolidated financial statements and information on accounting principles can be found on pages 62-98, and the auditor’s report can be found on pages 115-118. |
| The consolidated interim report of the of the Group for the period 1 April – 30 June 2023 can be found on the following link: <a href="#">The Group’s interim report for the period 1 April – 30 June 2023</a> . | The consolidated statement of income and other comprehensive income can be found on page 16, the consolidated statement of financial position can be found on page 17, the consolidated statement of changes in equity can be found on page 17, the consolidated statement of cash flows can be found on page 18 and the notes to the consolidated financial statements and information on accounting principles can be found on pages 19-23.  |

The following Alternative Performance Measures (“APM”) are used in the documents on the pages incorporated by reference above.

| APM     | Definition  | Purpose   | 2021       | 2022       |
|---------|---|---|------------|------------|
| EBITDAJ | EBITDA, excluding IFRS 16, reduced by acquisition-related | This measure shows EBITDA excluding costs related to acquisitions | MSEK 2,375 | MSEK 2,152 |



|   |   |  |            |          |
|---|---|--|------------|----------|
|   | costs and value adjustments.  | and is used to assess the Groups ability to generate profit from operations.   |            |          |
| Acquisition-related costs and value adjustments | Pertains to costs for legal consultants and other external costs associated directly with an acquisition, as well as value adjustments regarding acquired inventory assets, which are depreciated during the asset's turnover time. | This measure shows costs related to acquisitions and are therefore not a recurring expense why it is separated to facilitate comparison over time. | MSEK -12   | MSEK -5  |
| Operating cash flow                             | Cash flow from operating activities plus investments in and disposals of intangible assets and property, plant and equipment.   | This measure shows the net cash flow generated from operations and is used to assess the Group's ability to generate cash.                         | MSEK 1,814 | MSEK 345 |

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above referred documents that has not been incorporated by reference is either deemed by the Company not to be relevant for the investors of the Bonds or is covered elsewhere in the Prospectus. Further, please note that the information on the Company's website does not form part of this Prospectus, unless explicitly incorporated by reference, and have not been scrutinised or approved by the SFSA.

The audited consolidated financial statements of the Group, including the auditor's report, for the financial years 2021 and 2022 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Swedish Annual Report Act (Swe. *årsredovisningslag (1995:1554)*) and have been audited by the Company's auditor.

Except for the Company's consolidated historical financial statements for 2021 and 2022, no information in this Prospectus has been reviewed or audited by the Company's auditor. Financial data in this prospectus that have not been audited by the Company's auditor stem from internal accounting and reporting systems.

### **Age of the most recent financial information**

The most recent audited financial information incorporated into this Prospectus by reference derives from the Group's annual report for 2022. The consolidated interim report for the period 1 April– 30 June 2023, which was published on 21 July 2023 on the Company's website, has not been audited.

# Terms and Conditions

## Definitions and Construction

### 1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a 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 aggregate Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

“**Affiliate**” means:

- (a) an entity controlling or under common control with the Issuer, other than a Group Company; and
- (b) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in paragraph (a) above to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in paragraph (a) above.

For the purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bank Loans**” means any existing loans incurred by the Issuer or any Group Company in relation to Nordea Bank Abp, filial i Sverige, DNB Bank ASA, filial Sverige or Danske Bank A/S, filial Sverige, or any future loan incurred by the Issuer or any Group Company in relation to any reputable bank.

“**Base Rate**” means STIBOR (3 months) or any reference rate replacing STIBOR in accordance with Clause 16 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF) in relation to STIBOR or any person replacing it as administrator of the Base Rate.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the 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. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

“**Bondholders’ Committee**” means a committee of natural persons appointed by the Bondholders to represent their interests in relation to the Bonds by a decision in accordance with Clause 14.4.3.

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

“**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.

“**Change of Control Event**” means, in relation to shares of the Issuer, an event or series of events resulting in one person (or several persons who either (i) are, in respect of individuals, related, (ii) are, in respect of legal entities, members of the same group, or (iii) who act or have agreed to act in concert), in each case, acquiring fifty (50) per cent. or more of the shares in the Issuer or otherwise establishing control over fifty (50) per cent. or more of the shares and/or votes in the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying 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, and which shall include a list of each Material Group Company.

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

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

“**De-Listing Event**” means an event that occurs if all or part of the shares in the Issuer cease to be listed on a Regulated Market (unless such shares are simultaneously listed on another Regulated Market).

“**Debt Register**” means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in which a Bondholder is registered.

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

“**Existing Bonds**” means the Issuer’s outstanding up to SEK 1,500,000,000 senior unsecured floating rate bonds with ISIN SE0011751361.

“**Final Maturity Date**” means the date falling five (5) years after the First Issue Date.

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

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with the Accounting Principles (as applied as of the date of these Terms and Conditions), be treated as a finance lease or a capital lease. For the avoidance of doubt, any type of leases treated as operating leases under the Accounting Principles as applied at the date of these Terms and Conditions shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a Finance Lease.

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

- (a) moneys borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any Finance Leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or benefit from, fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligations in respect of Guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under Guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

“**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*).

“**Financial Report**” means the:

- (a) the Group’s annual audited consolidated financial statements; and
- (b) the Group’s quarterly interim unaudited consolidated financial statements or year-end report (Sw. *bokslutskommuniké*),

which shall, in each case, be prepared in accordance with the Accounting Principles and made available pursuant to Clause 10.1.1(a) and 10.1.1(b).

“**First Issue Date**” means 26 June 2023. The Issuing Agent shall confirm the First Issue Date to the CSD and the Agent in writing and the Issuer shall publish the First Issue Date in accordance with Clause 22.2 (*Press releases*).

“**Force Majeure Event**” has the meaning set forth in Clause 23.1.

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

“**Guarantee**” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness.

“**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 relevant jurisdiction).

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Payment Date**” means 26 March, 26 June, 26 September and 26 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 26 September 2023 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means the Base Rate plus 2.75 per cent. per annum as adjusted by any application of Clause 16 (*Replacement of Base Rate*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

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

**“Issuer”** means Bilia AB, a public limited liability company incorporated under the laws of Sweden with Reg. No. 556112-5690.

**“Issuing Agent”** means, initially, DNB Bank ASA, Sweden Branch with Reg. No 516406-0161 and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

**“Listing Failure Event”** means:

- (a) that the Initial Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within one hundred and twenty (120) calendar days following the First Issue Date;
- (b) that any Subsequent Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within one hundred and twenty (120) calendar days following their Issue Date; or
- (c) in the case of a successful listing, that a period of one hundred and twenty (120) days has elapsed since the end of the financial quarter during which the Bonds ceased to be admitted to trading on Nasdaq Stockholm (or any other Regulated Market).

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

**“Material Adverse Effect”** means a material adverse effect on (i) the ability of the Issuer to comply with its payment obligations under the Finance Documents, (ii) the business, operations, assets, condition or prospects (financial or otherwise) of the Issuer or the Group taken as a whole, or (iii) the legality, validity or enforceability of the Finance Documents.

**“Material Group Company”** means the Issuer or a Subsidiary representing more than 5.00 per cent. of the total net sales, EBITDA or gross assets of the Group on a consolidated basis, each according to the latest Financial Report.

**“Nasdaq Stockholm”** means the Regulated Market of Nasdaq Stockholm AB (Swedish Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

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

**“Nominal Amount”** has the meaning set forth in Clause 2.3

**“Permitted Security”** means any Guarantee or Security:

- (a) existing on the First Issue Date;
- (b) arising by operation of law (including collateral or retention of title arrangements but, for the avoidance of doubt, not including Guarantees or Security in respect of any monies borrowed or raised);
- (c) provided in relation to any lease agreement (Sw. *hyresavtal*) entered into by a Group Company in the ordinary course of business;
- (d) provided in relation to any Bank Loan facilitating purchase of any real estate (whether directly or indirectly through a company owning the real estate)
- (e) comprising counter-indemnity obligations under any bank guarantees or letters of credit issued by a bank or financial institution and drawings under any such bank guarantees or letters of credit, which in each case is provided in the ordinary course of business in relation to customers, other business partners, governmental bodies or authorities on terms and conditions customary for counter-indemnity obligations;
- (f) comprising bank Guarantees in relation to undertakings incurred in any Group Company's ordinary course of business; or
- (g) comprising parent company Guarantees in relation to undertakings by a Subsidiary incurred in the ordinary course of business;
- (h) any Security provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds are intended to be received;
- (i) any Security or Guarantee agreed to be provided for the benefit of the financing providers in relation to a refinancing of the Bonds, however provided that any perfection requirements in relation thereto (in respect of any Security) are satisfied only after repayment of the Bonds;
- (j) any netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangement for the purpose of netting debit and credit balances;
- (k) any payment or close out netting or set-off arrangement arising under non-speculative hedging transactions entered into in the ordinary course of business;
- (l) any Security or Guarantee arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company;
- (m) any Security or Guarantee affecting (A) any asset acquired by the Issuer or (B) any asset of a company which has become a Group Company after the First Issue Date, if:
  - (i) such Security or Guarantee was not created after or in contemplation of the acquisition of the asset or the Group Company (as applicable);
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of the asset or the Group Company (as applicable); and
  - (iii) the Security or Guarantee is removed or discharged within six (6) months after the date of the acquisition of the asset or the Group Company (as applicable); and

- (n) any Security or Quasi-Security not permitted by paragraphs (a) to (m), securing Financial Indebtedness the outstanding principal amount of which does not exceed SEK 50,000,000 in aggregate for the Group.

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 13 (*Distribution of Proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

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

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

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period comparable to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered 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 rate as described in paragraph (a) or (b) above is available for the relevant Interest Period and 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.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 14.1 (*Request for a decision*), 14.3 (*Instigation of Written Procedure*) and 14.4 (*Majority, quorum and other provisions*).

## 1.2 Construction

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

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

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

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

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

- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## **2 Status of the Bonds**

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial 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.
- 2.3 The nominal amount of each Initial Bond is SEK 2,000,000 (the “**Nominal Amount**”). The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,500,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 14.4.2(a). All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 The ISIN of the Bonds is SE0020358265.
- 2.5 Provided that the relevant conditions precedent set out in Clause 4.2 have been satisfied or waived, the Issuer may, on one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.6 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.7 The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

### 3 Use of Proceeds

- 3.1 The Issuer shall apply the Net Proceeds from the issue of the Initial Bonds towards (i) the market repurchase of all or some of the Existing Bonds and (ii) general corporate purposes (including acquisitions and investments) of the Group.
- 3.2 The Issuer shall apply the Net Proceeds from the issue of any Subsequent Bonds towards general corporate purposes (including acquisitions and investments) of the Group.

### 4 Conditions Precedent for Settlement

- 4.1 **Initial Bonds:** 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:
- (a) up-to-date copies of the articles of association and certificate of incorporation of the Issuer;
  - (b) a copy of a resolution of the board of directors of the Issuer:
    - (i) approving the terms of, and the transactions contemplated by, the Finance Documents and the Agency Agreement to which it is or will become a party and resolving that it execute, deliver and perform its obligations under such Finance Documents and the Agency Agreement and all transactions contemplated thereby;
    - (ii) authorising a specified person or persons to execute the Finance Documents and the Agency Agreement; and
    - (iii) 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 and the Agency Agreement and any transaction(s) contemplated thereby.
  - (c) a copy of the executed Agency Agreement;
  - (d) a copy of the executed Terms and Conditions; and
  - (e) an agreed form of Compliance Certificate.
- 4.2 **Subsequent Bonds:** The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, the following:
- (a) a Compliance Certificate confirming that no Event of Default is continuing or would result from the issue of the Subsequent Bonds;
  - (b) unless already covered by the resolutions delivered to the Agent in connection with the issuance of the Initial Bonds, a copy of a resolution of the board of directors of the Issuer:
    - (i) approving the issue of the Subsequent Bonds and resolving that it execute, deliver and perform its obligations under the Finance Documents necessary in connection therewith;

- (ii) authorising a specified person or persons to execute the documents necessary in connection with the Subsequent Bonds to which it is a party on its behalf; and
- (iii) 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 Subsequent Bonds; and
- (c) up-to-date copies of the articles of association and certificate of incorporation of the Issuer.

4.3 The Agent shall confirm in writing to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2 (as applicable), as the case may be, have been fulfilled (or amended or waived in accordance with Clause 15 (*Amendments and Waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. two (2) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).

4.4 Following receipt by the Issuing Agent of the written confirmation in accordance with Clause 4.3, the Issuing Agent shall (as applicable):

- (a) settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the First Issue Date; and
- (b) settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

## **5 Bonds in Book-Entry Form**

5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.

5.4 The Issuer 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. The Issuer may not revoke any such power

of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **6 Right to act on behalf of a Bondholder**

- 6.1 If any person other than a Bondholder (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 6.4 The Bondholders may in accordance with Clause 14.4.3 appoint a Bondholders' Committee to represent their interests in relation to the Bonds and in accordance with Clause 14.4.4 delegate powers to such Bondholders' Committee. The Bondholders' Committee represents all Bondholders and exercises such delegated powers on behalf of all Bondholders.
- 6.5 The Bondholders' Committee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it or any member thereof under or in connection with any Finance Document, unless directly caused by a breach of the powers delegated to it or by gross negligence or wilful misconduct.
- 6.6 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **7 Payments in Respect of the Bonds**

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD

on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 7.2 Provided that a Bondholder has registered an income account (*Sw. avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Bonds are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer 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 has actual knowledge of the fact that the payment was made to the wrong person).
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8 Interest**

- 8.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 bps (2 percentage points) higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9 Redemption and Repurchase of the Bonds**

### **9.1 Redemption at maturity**

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

### **9.2 Purchase of Bonds by Group Companies**

9.2.1 Any Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.

9.2.2 Bonds held by a Group Company (including Bonds repurchased by the Issuer pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a De-Listing Event or a Listing Failure Event (put option)*)) may at such Group Company's discretion be retained or sold. Bonds held by the Issuer may not be cancelled by the Issuer (except for any Bonds repurchased pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a De-Listing Event or a Listing Failure Event (put option)*)) or in connection with a redemption or repurchase of the Bonds in full).

### **9.3 Voluntary total redemption (call option)**

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full provided that the redemption is financed in part or in full by way of one or more issue(s) of Market Loans any time from (and including) the first Business Day falling six (6) months prior to the Final Maturity Date to (but excluding) the Final Maturity Date, at an amount equal to one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than ten (15) Business Days' notice and not more than thirty (30) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

### **9.4 Early redemption due to illegality (call option)**

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.4.2 The applicability of Clause 9.4.1 shall be supported by a legal opinion issued by a reputable law firm.

9.4.3 The Issuer may give notice of redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, 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. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

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

9.5.1 Upon the occurrence of a Change of Control Event, a De-Listing Event or a Listing Failure Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, a De-Listing Event or Listing Failure Event, as the case may be, pursuant to Clause 10.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, a De-Listing Event or the Listing Failure Event, as the case may be.

9.5.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the period during which the right pursuant to Clause 9.5.1 may be exercised, the Redemption 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 shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.

9.5.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

9.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event, a De-Listing Event or a Listing Failure Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.



## **10 Information to Bondholders**

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

- 10.1.1 The Issuer shall make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
  - (b) 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, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
  - (c) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- 10.1.2 The Issuer shall procure that the aggregate Nominal Amount held by Group Companies, including any amount of Bonds cancelled by the Issuer, is clearly stated in each interim report published by the Issuer pursuant to Clause 10.1.1(b).
- 10.1.3 The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a De-Listing Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.
- 10.1.4 When the Financial Reports are made available to the Bondholders pursuant to Clause 10.1.1, the Issuer shall send copies of such Financial Reports to the Agent. The Issuer shall, together with the Financial Reports, submit to the Agent a Compliance Certificate attaching copies of any notices sent to the Regulated Market on which the Bonds are listed. The Compliance Certificate shall be in a form agreed between the Issuer and the Agent.

### **10.2 Information from the Agent and a Bondholders' Committee**

- 10.2.1 Subject to the restrictions of a non-disclosure agreement entered into in accordance with Clause 10.2.2, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 12.4 and 12.5).
- 10.2.2 A Bondholders' Committee may agree with the Issuer not to disclose information received from the Issuer. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the Bondholders' Committee.

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

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds (unless, in the opinion the Agent, such request is vexatious or frivolous). The Agent may require that the requesting Bondholder or the Issuer reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

### **10.4 Availability of Finance Documents**

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

## **11 General Undertakings**

### **11.1 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 11 for as long as any Bonds remain outstanding.

### **11.2 Nature of business**

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

### **11.3 Disposals of assets**

11.3.1 The Issuer shall not, and shall procure that no Material Group Company shall, sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or that Material Group Company's assets, or operations.

11.3.2 Clause 11.3.1 shall not apply to:

- (a) any disposal which is carried out on terms and conditions customary for such transactions and at fair market value; and
- (b) any disposal to the Issuer or any of its wholly-owned Subsidiaries.

11.3.3 The Issuer shall upon request by the Agent provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

### **11.4 Compliance with laws etc.**

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

- (a) comply with all laws and regulations applicable from time to time; and
- (b) obtain, maintain and comply with, any authorisation, approval, licence or other permit required for the business carried out by the respective Group Company,

in each case if failure to do so has or is reasonably likely to have a Material Adverse Effect

## **11.5 Negative pledge**

The Issuer shall not (and shall procure that no other Group Company will) create or allow subsisting, retaining, providing, prolonging or renewing any Security over any of its /their present or future assets, except for Permitted Security.

## **11.6 Dealings with related parties**

The Issuer shall (and shall procure that each other Group Company will), 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.

## **11.7 Listing of the Bonds**

11.7.1 The Issuer has the intention to list the Initial Bonds on the corporate bond list of Nasdaq Stockholm (or, if such listing is not possible to obtain or maintain, on any other Regulated Market) within thirty (30) days after the First Issue Date.

11.7.2 The Issuer has the intention to list any Subsequent Bonds (if any) on the corporate bond list of Nasdaq Stockholm (or, if such listing is not possible to obtain or maintain, on any other Regulated Market) within thirty (30) days after the relevant Issue Date.

11.7.3 For the avoidance of doubt, failure to complete the listing within the intended aforementioned timeframes in Clauses 11.7.1 and 11.7.2 shall not constitute an Event of Default.

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

## **11.8 CSD related undertakings**

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

## **11.9 Undertakings relating to the Agency Agreement**

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

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

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

## **12 Acceleration of the Bonds**

12.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 12.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) **Non-payment**

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

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

(b) **Other obligations**

The Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in Clause 11.7 (*Listing of the Bonds*) and paragraph (a) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

(c) **Invalidity**

Any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders.

(d) **Insolvency proceedings**

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

(e) **Insolvency**

Any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

(f) **Cross payment default and cross acceleration**

- (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described),
- (ii) any commitment for any Financial Indebtedness of a Group Company is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iii) any creditor of a Group Company becomes entitled to declare any Financial Indebtedness of a Group Company due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this paragraph (f) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 50,000,000.

- 12.2 The Agent may not accelerate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 12.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event 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.
- 12.4 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. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until

the time stipulated in Clause 12.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.

- 12.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- 12.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.7 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.8 In the event of an acceleration of the Bonds in accordance with this Clause 12, the Issuer shall redeem all Bonds at an amount per Bond equal to one hundred (100) per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- 12.9 The Issuer shall on demand by a Bondholders' Committee reimburse all costs and expenses reasonably incurred by it for the purpose of investigating or considering an Event of Default and the Bondholders' potential actions in relation to such Event of Default.

### **13 Distribution of Proceeds**

- 13.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) first, in or towards payment *pro rata* of:
    - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders);
    - (ii) 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;
    - (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.5; and
    - (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 14.4.13,

together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (b) *secondly*, in or towards payment *pro rata* of any cost and expenses reasonably incurred by a Bondholders' Committee in accordance with Clause 12.9 that have not been reimbursed by the Issuer, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be reimbursed by the Issuer;
- (c) *thirdly*, 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);
- (d) *fourthly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (e) *fifthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

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

- 13.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a) or (b), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a) or (b).
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. 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. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7.1 shall apply.

## **14 Decisions by Bondholders**

### **14.1 Request for a decision**

- 14.1.1 A request by the Agent for a 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.

- 14.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request 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.
- 14.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:
- (a) 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
  - (b) the suggested decision is not in accordance with applicable regulations.
- 14.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 14.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.1.3 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 in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 14.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 14.2 (*Convening of Bondholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 14.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 17.4.3, 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 14.2. 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 supply to the Agent a copy of the dispatched notice or communication.
- 14.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 14.1.5 or 14.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.



## **14.2 Convening of Bondholders' Meeting**

14.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

14.2.2 The notice pursuant to Clause 14.2.1 shall include:

- (a) time for the meeting;
- (b) place for the meeting;
- (c) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (d) a form of power of attorney;
- (e) the agenda for the meeting;
- (f) any applicable conditions precedent and conditions subsequent;
- (g) the reasons for, and contents of, each proposal;
- (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (i) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement; and
- (j) information on where additional information (if any) will be published.

14.2.3 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.

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

## **14.3 Instigation of Written Procedure**

14.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

14.3.2 A communication pursuant to Clause 14.3.1 shall include:

- (a) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (b) 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;

- (c) 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 14.3.1);
- (d) any applicable conditions precedent and conditions subsequent;
- (e) the reasons for, and contents of, each proposal;
- (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (g) if the voting is to be made electronically, the instructions for such voting; and
- (h) information on where additional information (if any) will be published.

14.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 14.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14.4.2 and 14.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.4.2 or 14.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

14.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

## **14.4 Majority, quorum and other provisions**

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

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

14.4.2 The following matters shall require the consent of 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 14.3.2:

- (a) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any

time exceed, SEK 1,500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);

- (b) a change to the terms of any of Clauses 2.1 and 2.6;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
- (d) a change to the Interest Rate (other than as a result of an application of Clause 16 (*Replacement of Base Rate*)) or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);
- (f) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14.4 (*Majority, quorum and other provisions*);
- (g) 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;
- (h) a mandatory exchange of the Bonds for other securities; and
- (i) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

14.4.3 Any matter not covered by Clause 14.4.2 shall require the consent of Bondholders representing more than fifty (50) 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 14.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 15.1(a) or (c)), an acceleration of the Bonds, the appointment of a Bondholders' Committee.

14.4.4 The Bondholders may delegate such powers to a Bondholders' Committee as the Bondholders may exercise pursuant to Clauses 14.4.2 and 14.4.3. The delegation shall require the same majority and quorum as the subject matter would have required pursuant to Clause 14.4.2 or Clause 14.4.3, as the case may be. Any decisions made by the Bondholders' Committee pursuant to such delegation shall be approved by more than fifty (50) per cent. of the members of the Bondholders' Committee.

14.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 14.2.4 (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

- 14.4.6 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 14.4.7 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 14.2.1) or initiate a second Written Procedure (in accordance with Clause 14.3.1), as the case may be, provided that the person(s) who initiated the procedure for 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 14.4.7, the date of request of the second Bondholders' Meeting pursuant to Clause 14.2.1 or second Written Procedure pursuant to Clause 14.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 14.4.5 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 14.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 14.4.9 A 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.
- 14.4.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that vote in respect of the proposal at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable (such time period to be no less than ten (10) Business Days).
- 14.4.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder), nor make an offer to repurchase any Bonds, if receipt of such consideration or participation in such tender offer (as applicable) is conditional upon the Bondholder's consent to a proposal at a Bondholders' Meeting or in a Written Procedure.
- 14.4.12 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 the Issuer or the other Bondholders.
- 14.4.13 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.
- 14.4.14 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) Affiliates as per the Record Date for voting, irrespective of whether such person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.

- 14.4.15 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **15 Amendments and Waivers**

- 15.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Bondholders as a group;
- (b) is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority;
- (d) has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or
- (e) is made pursuant to Clause 16 (*Replacement of Base Rate*).

- 15.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 10.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 15.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

- 15.3 An amendment 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.

## **16 Replacement of Base Rate**

### **16.1 General**

- 16.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 16 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

- 16.1.2 If a Base Rate Event has occurred, this Clause 16 shall take precedent over the fallbacks set out in paragraphs (b) to (d) of the definition of STIBOR.

## 16.2 Definitions

In this Clause 16:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“**Base Rate Amendments**” has the meaning set forth in Clause 16.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*) containing the information referred to in (b) above; or

- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

“**Base Rate Event Announcement**” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply *mutatis mutandis* to such new Successor Base Rate.

## 16.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 16.3.1 Without prejudice to Clause 16.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 16.3.2.
- 16.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- 16.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 16.3.2, the Bondholders shall, if so decided at a Bondholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 16.3.2. If an Event of Default has occurred and is continuing,

or if the Issuer fails to carry out any other actions set forth in Clause 16.3 to 16.6 the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.

16.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").

16.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

## **16.4 Interim measures**

16.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

16.4.2 For the avoidance of doubt, Clause 16.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 16. This will however not limit the application of Clause 16.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 16 have been taken, but without success.

## **16.5 Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Bondholders in accordance with Clause 22 (*Communications and Press Releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.



## **16.6 Variation upon replacement of Base Rate**

16.6.1 No later than giving the Agent notice pursuant to Clause 16.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 16.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 16. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Bondholders.

16.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 16.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 16.

The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 16. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

## **16.7 Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 16.3 shall not be liable whatsoever for damage or loss caused by any determination, 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 Independent Adviser shall never be responsible for indirect or consequential loss.

## **17 The Agent**

### **17.1 Appointment of the Agent**

17.1.1 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, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and in relation to any mandatory exchange of the Bonds for other securities (including, for the avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Bondholder). By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 17.1.2 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.
- 17.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 17.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 17.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **17.2 Duties of the Agent**

- 17.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents. The Agent shall provide reasonable assistance to a Bondholders' Committee and participate in its meetings.
- 17.2.2 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 Bondholders or the Issuer.
- 17.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 17.2.4 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 as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 17.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall, however, remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 17.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it:
- (a) after the occurrence of an Event of Default;
  - (b) for the purpose of investigating or considering:

- (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; or
  - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents;
  - (c) in connection with any Bondholders' Meeting or Written Procedure; or
  - (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents (including for the purpose of deciding whether the conditions set out in Clause 15.1 are fulfilled).
- 17.2.7 Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of Proceeds*).
- 17.2.8 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.
- 17.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) whether any other event specified in any Finance Document has occurred or is expected to occur, and 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.
- 17.2.10 The Agent shall review each Compliance Certificate delivered to it to determine that it is in the form agreed between the Issuer and the Agent, and the Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 17.2.10.
- 17.2.11 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 17.2.11. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 17.2.12 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 17.2.13 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the 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 funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 17.2.14 The Agent shall give a notice to the Bondholders:
- (a) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement; or
  - (b) if it refrains from acting for any reason described in Clause 17.2.13.

### **17.3 Liability for the Agent**

- 17.3.1 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 or consequential loss.
- 17.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 17.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the 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.
- 17.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 17.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

### **17.4 Replacement of the Agent**

- 17.4.1 Subject to Clause 17.4.6, 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.
- 17.4.2 Subject to Clause 17.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 17.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several 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.
- 17.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or
  - (b) the Agent was dismissed through a decision by the Bondholders,
- the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 17.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 17.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
  - (b) the period pursuant to Clause 17.4.4 having lapsed.
- 17.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the 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.
- 17.4.8 In the event that there is a change of the Agent in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **18 The Issuing Agent**

- 18.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and

regulations applicable to and/or issued by the CSD and relating to the Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

- 18.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Bonds.
- 18.3 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.

## **19 The CSD**

- 19.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 19.2 The CSD may 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 is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing to trading of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **20 No Direct Actions by Bondholders**

- 20.1 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 or bankruptcy in any 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.
- 20.2 Clause 20.1 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 17.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 17.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17.2.14 before a Bondholder may take any action referred to in Clause 19.1.
- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory*

*repurchase due to a Change of Control Event, a De-Listing Event or a Listing Failure Event (put option)) or other payments which are due by the Issuer to some but not all Bondholders.*

## **21 Time-Bar**

- 21.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been time-barred and has become void.
- 21.2 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.

## **22 Communications and Press Releases**

### **22.1 Communications**

- 22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address specified on its website [www.nordictrustee.se](http://www.nordictrustee.se) 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;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 22.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 22.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in

an envelope addressed to the address specified in Clause 22.1.1, or, in case of email, when received in readable form by the email recipient.

- 22.1.3 Any notice which shall be provided to the Bondholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:
- (a) a cover letter, which shall include:
    - (i) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
    - (ii) details of where Bondholders can retrieve additional information;
    - (iii) contact details to the Agent; and
    - (iv) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
  - (b) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents.
- 22.1.4 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to Clause 10.1.1(a) and (b) may be in Swedish.
- 22.1.5 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.

## **22.2 Press releases**

- 22.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Early redemption due to illegality (call option)*) 10.1.3, 12.3, 14.2.1, 14.3.1, 14.4.15, 15.2 and 16.5 shall also be published by way of press release by the Issuer.
- 22.2.2 In addition to Clause 22.2.1, if any information relating to the Bonds or the Issuer 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.

## **23 Force Majeure**

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



23.2 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.

23.3 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **24 Governing Law and Jurisdiction**

24.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the substantive law of Sweden.

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

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## Addresses

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| <p><b>Issuer</b></p> <p>Bilia AB<br/>Box 9003<br/>SE-400 91 Gothenburg<br/>Sweden<br/>+ 46 (0)31 709 55 00</p>  | <p><b>Issuing Agent</b></p> <p>DNB Bank ASA, Sweden Branch<br/>Regeringsgatan 59<br/>SE-111 56 Stockholm<br/>Sweden<br/>+ 46 (0)8 473 41 00</p>    |
| <p><b>Legal Counsel</b></p> <p>Advokatfirman Vinge KB<br/>Nordstadstorget 6<br/>P.O. Box 11025<br/>SE-404 21 Gothenburg<br/>Sweden<br/>+ 46 (0)10 614 10 00</p>               | <p><b>Central Securities Depository</b></p> <p>Euroclear Sweden AB<br/>P.O. Box 191<br/>SE-101 23 Stockholm<br/>Sweden<br/>+ 46 (0)8 402 90 00</p> |
| <p><b>Agent</b></p> <p>Nordic Trustee &amp; Agency AB (publ)<br/>Norrandsgatan 23 (3rd floor)<br/>P.O. Box 7329<br/>SE-103 90 Stockholm<br/>Sweden<br/>+ 46 (0)8 783 7900</p> |  |