

**Skill BidCo ApS**

**relating to the listing of**

**EUR 750,000,000  
Senior Secured Callable Floating Rate Bonds due 2028**

**ISIN: NO0012826033**

**Sole Global Bookrunner**

The logo for Pareto Securities, featuring a stylized blue arc above the word "Pareto" in a serif font, followed by "Securities" in a sans-serif font.

**This Prospectus was approved by the Swedish Financial Supervisory Authority on 19 May 2023. The Prospectus is valid for 12 months after the approval provided that it is completed by any supplement required. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid**

**IMPORTANT NOTICE:**

This prospectus (the "**Prospectus**") has been prepared by Skill BidCo ApS (the "**Issuer**", or the "**Company**"), a private limited liability company incorporated in Denmark, with registered address at c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark, with reg. no. (CVR) 43 63 99 51, in relation to the application for the listing of the senior secured callable floating rate bonds denominated in EUR (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB has acted as sole global bookrunner in connection with the issue of the Bonds (the "**Sole Global Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus has been prepared in English only and 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 is available at the SFSA's website (fi.se). Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 64 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus. This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "*Documents incorporated by reference*" under section "*Other information*" below, and possible supplements to 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 and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "**DKK**" refer to Danish Krone.

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**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

This Prospectus 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 Issuer. 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 Issuer 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 Issuer's present and future business strategies and the environment in which the Issuer 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 Issuer's operations. Such factors of a significant nature are mentioned in the section "*Risk factors*" below.

Interest payable on the Bonds will be calculated by reference to EURIBOR plus the floating rate margin of 6.75 per cent. *per annum*. EURIBOR is provided by the European Money Markets Institute (the "**EMMI**"), who appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**").

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## SUMMARY

<b>INTRODUCTION AND WARNINGS</b>	
<b>Introduction and warnings:</b>	<p>This Prospectus has been drawn up in relation to the admission to trading of the 750,000 bonds relating to the (i) EUR 380,236,000 senior secured callable floating rate bonds due 2028 issued by the Issuer, and (ii) EUR 369,764,000 senior secured callable floating rate bonds due 2028, which have been subscribed for, to be issued by the Issuer by way of a conversion within 10 business days following the completion of the Issuer's acquisition of the SGL Group (as defined below) (the "<b>Second Issue Date</b>"). All Bonds in item (i) and (ii) will be identified by the ISIN NO0012826033.</p> <p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Investors in the Bonds may lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability can only be imposed on those persons who have put forward the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<b>Legal and commercial name of the Issuer and its ISIN and LEI</b>	The legal and commercial name of the Issuer is Skill BidCo ApS. The Issuer is a private limited liability company incorporated under the laws of Denmark, with reg. no. (CVR) 43639951 and with its registered office c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark and telephone number +45 39 45 28 00. The registered office of the executive management is c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark and the Issuer's head quarter is at c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark. The Issuer's legal entity identifier code (" <b>LEI Code</b> ") is 636700YQKGLXCPPUYE74. The Bonds are identified by the ISIN NO0012826033.
<b>Identity and contact details of the competent authority approving the prospectus</b>	Finansinspektionen (the " <b>SFSA</b> ") has its registered office at Brunnsgatan 3, P.O Box 7821, SE-103 97 Stockholm, with telephone number (+46) (0)8 408 980 00, email address finansinspektionen@fi.se and website www.fi.se
<b>Date of approval of the prospectus</b>	The SFSA has, in its capacity as competent authority under the Prospectus Regulation, on 19 May 2023, approved this Prospectus.
<b>KEY INFORMATION ON THE ISSUER</b>	
<b>Who is the issuer of the securities?</b>	The legal and commercial name of the Issuer is Skill BidCo ApS. The Issuer is a private limited liability company incorporated under the laws of Denmark, with reg. no. (CVR) 43639951 and its registered office is c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark. The Issuer's LEI Code is 636700YQKGLXCPPUYE74. The Issuer is subject to regulations such as, <i>inter alia</i> , Danish Companies Act (Da. <i>selskabsloven</i> ).
<b>Principal activities of the Issuer</b>	The Issuer is a newly established special purpose vehicle backed by funds managed by CVC Capital Partners. The Issuer currently has no business operations and was founded with the objective to operate as a holding company by purchasing, holding and selling shares in other companies, providing loans and financing and to operate consulting and other related activities, in particular the Issuer was founded to facilitate the acquisition of Scan (Jersey) TopCo Ltd and SGL TransGroup US Corp. (the " <b>Targets</b> " and together with their respective direct and indirect subsidiaries, the " <b>SGL Group</b> " or " <b>SGL</b> ") which will be completed on or about 23 May 2023 (the " <b>Acquisition</b> "). The existing shareholder of the SGL Group and the Issuer entered into a share purchase agreement dated 6 February 2023 for the purpose of divesting the SGL Group to the Issuer.
<b>Principal activities of the SGL Group</b>	The SGL Group is an asset-light freight forwarder and logistics provider with a global footprint and strong presence in North America and the Nordics. The SGL Group is one of a few remaining sizable and independent players in the freight forwarding market and offers air, ocean and surface freight services alongside complementary customs and warehousing services. SGL Group focuses on complex logistics assignments which often require multimodal solutions and has over the past 40

	years established itself as a logistics provider to international aid and humanitarian organisations such as the United Nations. Moreover, building on its extensive experience of managing complex assignments, the SGL Group also operates in certain industry verticals such as Specialty Automotive and Food Ingredients & Additives. Customers are served through more than 100 offices located in over 42 countries across six continents, supported by third-party agents where appropriate.														
<b>Major shareholders</b>	<p>As of the date of this Prospectus, the Issuer is 100 per cent. owned by Skill MidCo ApS, reg. no. (CVR) 43 93 69 56, who in turn is owned 100 per cent. by Skill TopCo ApS, reg.no. (CVR) 73 93 45 70, who in turn is owned approximately 95.22 per cent. by CVC Capital Partners VII (A) L.P., reg. no. (business registration number) 3022, 1.68 per cent. by CVC Capital Partners Investment Europe VIII L.P., reg. no. (business registration number) 3022 and approximately 3.09 per cent. by CVC Capital Partners VIII Associates L.P. reg. no. (business registration number) (the "<b>Funds</b>") and the Funds are in turn managed by CVC Capital Partners VIII Limited, reg. no. 129485, a private limited company operating under the laws of Jersey, as the sole general manager.</p> <p>The shares of the Issuer are denominated in DKK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of DKK 40,000 divided into 40,000 of shares.</p>														
<b>Executive Management</b>	The Executive Management of the Issuer consists of a team of 2 people. Philip Bendorff Røpcke, (executive manager) and Christoffer Helsingreen Sjøqvist (executive manager). The Executive Management is connected to CVC Capital Partners Denmark.														
<b>Auditor</b>	EY Godkendt Revisionspartnerselskab, company reg. no. 30 70 02 28 is the Issuer's auditor since 11 November 2022. Søren Skov Larsen and Henrik Pedersen are the auditors who are responsible for the Company since 2022. They are State Authorized Public Accountants in Denmark and both members of the professional body FSR - Danske Revisorer, the professional institute for the accountancy sector in Denmark.														
<b>What is the key financial information regarding the Issuer?</b>															
<b>Financial information</b>	<p>The table below sets out a summary of the key financial information extracted from the Issuers audited financial statements for the period from 11 November 2022 (when the Issuer was founded) and ending 31 December 2022 (in DKK).</p> <table border="1"> <thead> <tr> <th><b>Income statement</b></th> <th><b>2022</b></th> </tr> </thead> <tbody> <tr> <td>Total operating profit/loss</td> <td>-39,170</td> </tr> <tr> <th><b>Condensed balance sheet</b></th> <th><b>2022</b></th> </tr> <tr> <td>Net financial debt (long-term debt plus short-term debt minus cash)</td> <td>0</td> </tr> <tr> <th><b>Cash-flow statement</b></th> <th><b>2022</b></th> </tr> <tr> <td>Cash flow from operating activities</td> <td>0</td> </tr> <tr> <td>Cash flow from financing activities</td> <td>40,000</td> </tr> </tbody> </table>	<b>Income statement</b>	<b>2022</b>	Total operating profit/loss	-39,170	<b>Condensed balance sheet</b>	<b>2022</b>	Net financial debt (long-term debt plus short-term debt minus cash)	0	<b>Cash-flow statement</b>	<b>2022</b>	Cash flow from operating activities	0	Cash flow from financing activities	40,000
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<b>Audit qualifications</b>	There are no qualifications in the audit reports pertaining to the Issuer's annual financial statements for the financial period ending 31 December 2022.														
<b>What are the key risks that are specific to the Issuer?</b>															
<b>Completion of the Acquisition</b>	The purpose of the bond is partly to finance of the Acquisition and the redemption of the existing bonds issued by SGL International A/S with ISIN SE0013101219, SE0015810759 and NO0012441007 respectively (the " <b>Existing Bonds</b> "). Should the completion of the Acquisition not occur, the Issuer will have no underlying business and the EUR 380,236,000 senior secured callable floating rate bonds issued on 2 March 2023 will be redeemed in full and the bonds contemplated to be Issued on the Second Issue Date will not be issued. As (i) the Issuer has entered into a share purchase agreement in respect of the shares in the SGL Group and is committed to complete the Acquisition and (ii) the major part of the business operations in the SGL Group are conducted by certain entities within the SGL														

	Group that will be providing guarantees and other entities within the SGL Group, the material risks of the Issuer will be directly connected and related to the risks of the SGL Group.
<b>Dependency on key employees of the SGL Group.</b>	The SGL Group's future development largely depends on the skills, experience and commitment of its key employees who have been engaged in the SGL Group for a long time, and have together developed the efficient day-to-day operations of the Group. Around 50 people, out of approximately 3,300 total employees, in the organisation are considered to be key people of the Group including key individuals at management level, for example CEO Allan Melgaard and CFO Claes Brønsgaard Pedersen. These employees also have a comprehensive knowledge of the industry in general and of the SGL Group in particular. If such key personnel leave Group in the future, or take up employment with a competing business, the SGL Group's business, operations, earnings and financial position could suffer as a result of the loss of such key personnel.
<b>Exposure to key customers</b>	The SGL Group's twenty largest customers represent approximately 21 per cent. of the SGL Group's gross profit. There are no volume commitments stipulated in the agreements with the material customers and there is a risk that not all significant customers will continue to purchase the SGL Group's services in the same quantities that they have in the past. The loss of any of the SGL Group's significant customers, or a material reduction in the purchasing of the SGL Group's services by a significant customer may have a material adverse effect on the SGL Group's business and financial position. Furthermore, the SGL Group's customers and other counterparties may end up in a financial situation where they cannot pay the agreed fees or other amounts owed to the SGL Group as they fall due, or otherwise abstain from fulfilling their obligations.
<b>Risk relating to suppliers and carriers</b>	<p>The SGL Group's ability to service its customers depends on the available capacity and performance of its suppliers and carriers. For certain routes (especially from Asia), there have in the past been, and may in the future be, difficulties to ensure sufficient carrier capacity. Such carrier capacity shortage typically arises during the weeks prior to Christmas or during the run up towards the Chinese New Year. Available capacity of the SGL Group's carriers may also be affected by labour strikes or other unforeseen work stoppages. The SGL Group's business, financial position and result of operation could be negatively affected if the SGL Group is unable to maintain a national and international logistic network of suppliers or fails to ensure that the customers' shipments are properly delivered due to capacity scarcity of the carriers.</p> <p>The SGL Group regularly contracts with a large range of global suppliers and carriers. Failure by the SGL Group's commercial counterparties to operate at a sufficiently high ethical standard or to comply with, inter alia, anti-corruption, environmental or labour laws or regulations or to obtain necessary permits and licenses may adversely affect the SGL Group's reputation by association and prejudice the forging of future business and relationships which, in turn, can adversely impact the SGL Group's business, results of operations and financial condition.</p>
<b>KEY INFORMATION ON THE SECURITIES</b>	
<b>What are the main features of the securities?</b>	
<b>Governing law, type, class and ISIN</b>	The Terms and Conditions of the Bonds are governed by Swedish law. The Bonds are senior secured callable floating rate bonds with ISIN: NO0012826033.
<b>Currency, denomination, par value, the number of securities issued and the term of the securities</b>	<p>The Bonds are denominated in EUR. The Nominal Amount of each Bond is EUR 1,000 and the minimum permissible investment is EUR 100,000. The Issuer has issued a total of 380,230 bonds in an initial aggregate amount of EUR 380,236,000 on the First Issue date of 2 March 2023 and will issue 369,764 Bonds in an aggregate amount of EUR 369,764,000 by way of conversion within 10 business days following the completion of the Acquisition in accordance with already committed and agreed offers. Upon issuing the Bonds on the Second Issue Date, the issuer will have issued Bonds in a total aggregate amount of EUR 750,000,000 under the Terms and Conditions.</p> <p>The Issuer may issue subsequent bonds up to an aggregate principal amount of EUR 400,000,000, pursuant to the Terms and Conditions.</p> <p>The final maturity date of the Bonds is 2 March 2028.</p>
<b>Rights attached to the securities</b>	Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received

	<p>by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent.</p> <p>The Issuer shall redeem all, but not only some, 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> <p>The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with the Terms and Conditions.</p>
<b>Ranking</b>	The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) the super senior ranking of the Jyske Super Senior Debt and the Revolving Loan Debt in accordance with any future Intercreditor Agreement.
<b>Transfer Restrictions</b>	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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
<b>Payout policy</b>	The Bonds Interest Payment Dates are quarterly 2 March, 2 June, 2 September, and 2 December of each year commencing on 2 June 2023. Interest will accrue from (but excluding) the Issue Date. The last interest payment date shall be the Final Maturity Date of 2 March 2028 April (or such earlier date on which the Bonds are redeemed in full). The Bonds will carry interest at a floating rate of the Base Rate (EURIBOR) plus the Floating Rate Margin of 6.75 per cent. <i>per annum</i> .
<b>Where will the securities be traded?</b>	
<b>Trading</b>	<p>The Initial Bonds are listed on the Open Market of the Frankfurt Stock Exchange. The Bonds issued on the Second Issue Date will be listed on the Open Market of the Frankfurt Stock Exchange (or any stock exchange replacing it) as soon as reasonably practicable after the Second Issue Date. The Bonds will remain listed on such exchange until the Bonds have been redeemed in full.</p> <p>The Bonds will be admitted to trading on the Regulated Market Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.</p>
<b>Is there a guarantee attached to the securities?</b>	
<b>Nature and scope of the guarantee</b>	There are no guarantors for the Issuer's obligations as of the date of this Prospectus.
<b>Risks relating to potential future guarantees</b>	<p>Following completion of the Acquisition, as continuing security for the due and punctual fulfilment of the Secured Obligations, the Guarantors and each Group Company party to the Guarantee and Adherence Agreement will grant the Guarantees to the Secured Parties represented by the Security Agent on the terms set out in the Guarantee and Adherence Agreement.</p> <p>Although the Issuer's obligations towards the Bondholders under the Bonds to a limited extent will be guaranteed following the completion of the Acquisition, there is risk that any enforcement of claims under the guarantees would be insufficient to satisfy all amounts owed to the Bondholders at the time of enforcement. Furthermore, subject to the limitations set forth in the documents governing the Super Senior Debt and/or the guarantees (as applicable), guarantors are not restricted from granting any additional guarantees. If the guarantors were to guarantee any other obligations, there is a risk that guarantees granted in favour of the current Bondholders would be impaired.</p> <p>Any guarantees of the Issuer's obligations under the Bonds from the Issuer's direct and indirect subsidiaries are limited by the relevant financial assistance rules and corporate benefit principles.</p>

	<p>If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the Bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds, in part because there is a risk that the guarantees granted in respect of the Bonds will be insufficient in respect of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.</p> <p>The payment obligations of the Issuer under the Bonds are structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Issuer and the subsidiaries of such subsidiaries. The Guarantors unconditionally and irrevocably guarantee the payment obligations of the Issuer under the Bonds. Accordingly, the Bonds have the benefit of a direct claim on the Guarantors but not on all members of the Group. The benefit of the guarantees is also limited by the provisions of the Intercreditor Agreements and general provisions of law in any applicable jurisdiction.</p> <p>In certain jurisdictions, the amendment or extension of a primary obligations without further reference to the guarantor or surety may result in the guarantee being void, considered discharged and/or unenforceable against the guarantor. In such circumstances the value of the future guarantees to be granted in favour of the Bondholders would be impaired. Furthermore, there is a risk that guarantees to be granted under the Bonds could be unenforceable or that enforcement of the claims under the guarantees could be delayed according to Swedish law, Danish law, applicable US law, PRC law, Hong Kong law, English law, Spanish law, Australian law, Mexican law or any other applicable laws. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the Bondholders receiving the amounts owed to them under the Bonds.</p>
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### What are the key risks that are specific to the securities?

<p><b>Risk relating to the to the Issuer intercreditor arrangements</b></p>	<p>Certain direct and indirect subsidiaries of the Targets have or may in the future incur debt under super senior working capital facilities (the "<b>Group Super Senior Debt</b>") which will, in accordance with the terms of the applicable Intercreditor Agreements (as defined below), rank senior to the Bonds.</p> <p>As of the First Issue Date, SGL International A/S has, together with certain of its subsidiaries, incurred Super Senior Debt provided by Jyske Bank on an uncommitted basis (the "<b>Danish Super Senior Debt</b>"). The relationship between the bondholders under SGL International A/S's existing bonds with ISIN SE0015810759 and SE0013101219 (the "<b>Existing Senior Bonds</b>") and the creditors in respect of the Danish Super Senior Debt is governed by an existing intercreditor agreement originally dated 25 November 2019 (as amended and restated from time to time) and entered into between, <i>inter alios</i>, SGL International A/S, Intertrust (Sweden) AB and Jyske Bank ("<b>SGL International Intercreditor Agreement</b>").</p> <p>Further, TransGroup Global Inc (the "<b>US HoldCo</b>") have, together with certain of its subsidiaries, incurred Super Senior Debt (the "<b>US HoldCo Super Senior Debt</b>") provided by certain lenders represented by Bank of America, as agent (the "<b>US SSRCF Agent</b>"). The relationship between the bondholders under the Existing Senior Bonds and the creditors in respect of the US HoldCo Super Senior Debt is governed by an intercreditor agreement originally dated 25 November 2019 (as amended and restated from time to time) (the "<b>US HoldCo Intercreditor Agreement</b>") and entered into between, <i>inter alios</i>, the US HoldCo, the US SSRCF Agent and Intertrust (Sweden) AB.</p> <p>The SGL International Intercreditor Agreement, the US HoldCo Intercreditor Agreement and any intercreditor agreement replacing any or both of those agreements (being a "<b>Replacement Intercreditor Agreement</b>") shall hereinafter jointly be referred to as the "<b>Intercreditor Agreements</b>" and each an "<b>Intercreditor Agreement</b>".</p> <p>The Security Agent of the bond (on behalf of the Bondholders) intend to either (i) accede the Bonds as senior secured debt pursuant to the terms of the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement prior to or in close connection with the disbursement of the net proceeds from the account currently pledged in favor of Nordic Trustee &amp; Agency AB (publ) (on behalf of the bondholders), or (ii) replace the SGL International Intercreditor Agreement, and potentially the US HoldCo Intercreditor Agreement, with a Replacement Intercreditor Agreement (as defined below), with the holders of any Danish Super Senior Debt and potentially any US HoldCo</p>
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	<p>Super Senior Debt upon redemption of the Existing Bonds and, if applicable, the Danish Super Senior Debt and/or the US HoldCo Super Senior Debt.</p> <p>If the Bonds are not acceded as senior secured debt to the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement or in a Replacement Intercreditor Agreement, Bondholders will not receive the benefit of any security that would rank <i>pari passu</i> with the Senior Debt which would result in the security position of the Bondholders being materially impaired.</p> <p>Furthermore, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to repay any amounts of the obligations under the Bonds after the Super Senior Debt has been repaid and pro rata application of any surplus proceeds towards repayment of the Senior Debt. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer incurs additional Super Senior Debt (including hedging), issues subsequent Bonds and/or incur other <i>pari passu</i> debt which will be secured in accordance with an Intercreditor Agreement, the security position of the Bondholders may be impaired.</p>
<b>Risk Relating Transaction Security</b>	<p>Any existing transaction security for the Existing Bonds that is also intended to secure the obligations of the Issuer and/or any potential future guarantor (following completion of the Acquisition) in relation to the Bonds may not extend to include any such obligations in respect of the Bonds. Should this occur, there is a risk that the Bondholders do not receive an amount sufficient to satisfy all amounts then owed to the Bondholders</p> <p>Amendment, extension or granting of the guarantees and/or security interests to secure the Bonds can also create hardening or voidance periods for such guarantees and security interests in certain jurisdictions.</p>
<b>KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET</b>	
<b>Under which conditions and timetable can I invest in this security?</b>	
<b>Details of the admission to trading on Nasdaq Stockholm</b>	<p>This Prospectus has been prepared for the admission to trading of Bonds in an aggregate amount of EUR 750,000,000 on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) on two separate occasions. The admission to trading of the EUR 380,236,000 Bonds issued on the First Issue Date on the corporate bond list of Nasdaq Stockholm is contemplated to occur prior to the completion of the Acquisition on 23 May 2023. The admission to trading of the EUR 369,764,000 Bonds, to be issued on the Second Issue Date within 10 business days following the completion of the Acquisition, on the corporate bond list of Nasdaq Stockholm is contemplated to occur within 60 days after the completion of the Acquisition.</p> <p>All Bonds issued on the Second Issue Date will be issued by way of conversion of the temporary bonds issued by the Issuer on 2 March 2023 with ISINs: NO0012826041, NO0012847831 and NO0012847682 (the "<b>Temporary Bonds</b>" and each a "<b>Temporary Bond</b>") to Bonds on a one-for-one basis and pursuant to the Temporary Bonds' respective terms. The Bonds issued on the Second Issue Date have thus already been offered to, and subscribed for by the bondholders of each Temporary Bond. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.</p>
<b>Listing costs</b>	The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 300,000.
<b>Expenses charged to the Bondholders by the Issuer</b>	No costs will be borne by the Bondholders.
<b>Why is this Prospectus being produced?</b>	
<b>Reason for the admission to trading on a regulated Market</b>	This Prospectus has been prepared to enable the Bonds to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) which is a requirement from the Bondholders and as set out in the Terms and Conditions.
<b>Use and net amount of proceeds</b>	The net amount of proceeds from the Initial Bond Issue will be used to (i) finance the purchase price for the Acquisition, (ii) refinance the Existing Bonds which are not subject to any exchange for Bonds (including the conversion of Temporary Bonds into Bonds) (iii) pay Transaction Costs,

	<p>and (iv) finance general corporate purposes of the Issuer and the SGL Group (assuming the completion of the Acquisition), including refinancing of existing Financial Indebtedness, investments and acquisitions.</p> <p>The proceeds from any Subsequent Bond Issue shall be used to finance Transaction Costs and general corporate purposes (including investments and acquisitions).</p>
<b>Material conflicts</b>	<p>The Sole Global Bookrunner and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Global Bookrunner and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.</p>

## RISK FACTORS

*These risk factors have been prepared in connection with the Prospectus relating to the listing of senior secured floating rate bonds issued by Skill BidCo ApS (the "Issuer") in an aggregate nominal amount of EUR 750,000,000 (the "Bonds"). Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and condition of the Bonds (the "Terms and Conditions"). Risk factors deemed to be of importance for the Issuer and its business and future development and risks relating to the Bonds are described below. As (i) the Issuer has entered into a share purchase agreement in respect of the shares in the SGL Group and is committed to complete the Acquisition (as defined below) and (ii) the major part of the business operations in the SGL Group are conducted by certain entities within the SGL Group that will be providing guarantees (the "Guarantors") and other entities within the SGL Group, the material risks of the Issuer are directly connected and related to the risks of the SGL Group. The Issuer and the SGL Group, assuming the completion of the indirect acquisition of SGL International A/S and direct acquisition of TransGroup Global Inc. (the "Acquisition"), are in these risk factors referred to as the "Group" or the "Group Companies" and each a "Group Company". The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or the Bonds. The materiality of the risk factors are disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

**PLEASE NOTE THAT ONLY A LIMITED LEGAL DUE DILIGENCE HAS BEEN CARRIED OUT BY WAY OF A MANAGEMENT INTERVIEW. NO DOCUMENTARY DUE DILIGENCE HAS BEEN CONDUCTED. NO FINANCIAL, INSURANCE OR TAX DUE DILIGENCE HAS BEEN CONDUCTED. THUS, THERE MAY BE RISKS RELATING TO THE GROUP AND ITS BUSINESS WHICH HAVE NOT BEEN DISCLOSED IN THE LIMITED LEGAL DUE DILIGENCE AND WHICH ARE CONSEQUENTLY NOT DISCLOSED IN THESE RISK FACTORS. THE FOLLOWING DESCRIPTION REGARDING RISKS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE OR TO DISCUSS ALL OF THE RISKS OF THE GROUP OR THE BONDS, THE LIMITATIONS OR CONSIDERATIONS THAT MAY AFFECT THE GROUP OR THE VALIDITY OR ENFORCEABILITY OF THE BONDS, GUARANTEES AND/OR ANY TRANSACTION SECURITY. PROSPECTIVE INVESTORS IN THE BONDS SHOULD CONSULT THEIR OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH LIMITATIONS AND CONSIDERATIONS.**

## **RISKS RELATING TO THE GROUP**

### **Sector and market related risk factors**

#### **Coronavirus disease (COVID-19) risks**

##### *Low level risk*

The Coronavirus disease ("**COVID-19**") has had, and is likely to continue to have for the foreseeable future, an indeterminable adverse impact on the global economy. The spread of COVID-19 and the potential emergence of new variants, as well as any potential restrictive measures undertaken by governments may result in unforeseen and significant fluctuations in stock prices and the availability and cost of debt financing through the bond markets. The trading price of the Bonds may therefore be adversely affected by the economic uncertainty caused by COVID-19. Furthermore, COVID-19 may have a negative adverse effect on the Bonds' and the liquidity on the secondary market as well as the liquidity of the Group's minority holdings, from time to time. In addition, there is a risk that the regions in which the Issuer and/or its associated companies operate their business may be subject to greater restrictions from the relevant authorities, from time to time, including e.g. travel bans and quarantine. There is a risk that these type of measures and other measures to limit the transmission of COVID-19 may adversely affect the Group, and thus, adversely affect the value of such investments. Any of these factors could have a material adverse effect on the Group's business, financial condition, equity returns and future prospects and hence the Issuer's ability to fulfil its obligations under the Bonds.

Furthermore, the sea and air freight market and global trade in general has continued to be impacted by COVID-19-related disruptions, such as bottlenecks caused by lockdowns, and may continue to have an impact on the market and the Group's operations in the future and have an adverse effect on the Group's business and earnings.

#### **Risks relating to global macroeconomic conditions and the US-China trade conflict**

##### *Medium level risk*

There is a risk that fluctuations in freight rates caused by the ongoing war in Ukraine and COVID-19-related disruptions or change in supply and demand on key trade routes for the Group such as Asia to Europe or Asia to North America could adversely affect Group's business, financial position and result of operation. A lengthy economic downturn, a decline in the gross domestic product growth rate and world import and export levels, and other geopolitical events could adversely affect the global transportation industry and trigger a decrease in demand for the Group's services. If any such event occurs the Group's business, financial position and result of operation could suffer a negative downturn. In addition, a rapid increase in freight rates could negatively affect the Group's liquidity situation.

Approximately 15 per cent. of the Group's revenue derives from shipments of customers' goods between USA and China. In recent years both the US and the Chinese governments have imposed tariffs on goods imported from the other. Should the US-China trade conflict and the economic sanctions persist or intensify, it could decrease the trade volumes between the two

countries. As a high percentage of the Group's revenues drives from shipment between the USA and China, the business of the Group could suffer financially if the trade volumes on this route decreases.

#### **Risks relating to the war in Ukraine and activities in Belarus and Russia**

##### *Medium level risk*

The Group stopped all its commercial activities in Russia and Belarus when the extended sanctions were issued in 2022 and the Group has currently no commercial activities in Russia or Belarus. However, customer agreements, which was not affected by the sanctions, were fulfilled within the areas to secure that the Group was not breaching such customer agreements. The Group is currently using Russian railroad via a Chinese operator for transportation of goods, which is not sanctioned if the goods are neither loaded nor unloaded in Russian territory. The activities above have not resulted in any sanctions and/or fines. A violation of sanctions and/or negative PR related to any operations in Russia could affect the Group's customer relations with international help organisations which may result in termination of business relationship. New sanctions could be implemented that could affect any further activities in Russia and/or Belarus. Furthermore, there is risk that the war in Ukraine will escalate further which could have an adverse affect the Group's operations in countries in the area.

#### **Risks relating to the Group's operations in emerging markets**

##### *Medium level risk*

The Group have operations and customers world-wide, including a number of emerging markets such as Mali, Senegal, the Ivory Coast, Togo, Benin, Chile, Peru, Indonesia, the Philippines, Cambodia, Laos, Sri Lanka and Myanmar. These markets are subject to greater political, economic and social uncertainties than countries with more developed institutional structures, and the risk of loss resulting from changes in laws or economic or social upheaval and other factors exists. Among the more significant risks of operating and investing in emerging markets are those arising from the introduction of trade restrictions, expropriation, enforcement of foreign exchange restrictions and changes in laws and enforcement mechanisms.

Furthermore, because of the Group's aid and development business, the Group operates, and have in the past operated, in a number of countries throughout the world subject to sanctions regulations. There have been situations where this has caused issues with certain banking institutions due to Group operations in countries subject to sanctions and future refusals by banks could have an adverse effect on the Group's liquidity.

## **Risks related to inadequate market adaption and non-compliance**

### **Competitive landscape**

#### *Medium level risk*

The global freight forwarding business is highly competitive. The Group have a number of competitors across different segments and markets targeting the same customers as the Group. There is a risk that these competitors will grow to be stronger in the future and/or that new competitors may emerge. Such an increase in competition may lead to higher costs or a requirement to charge lower prices associated with seeking out new customers as well as retaining existing customers. The Group's ability to compete also depends on the Group's ability to anticipate future market changes and trends and to rapidly react to existing and future market needs. The Group expects to further increase its presence in Africa and Western Europe, among other regions, in the future and have recently established operations in, among others, Hungary, Laos, Sri Lanka, Togo, Benin and Abu Dhabi. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have a significant negative effect on the Group's business, financial position and result of operation.

### **Compliance with existing laws, regulations and permits**

#### *Low level risk*

The Group operates in many countries and must accordingly observe a number of different regulatory requirements and regulations across a number of jurisdictions. Services conducted in several jurisdictions require permits and the Group needs to contractually allocate the obligation to obtain necessary permits with the customers. Furthermore, the Group conducts business with UNICEF, UN, and WHO that require that the Group is compliant with relevant laws and regulations. If the Group is unsuccessful in ensuring compliance with such laws, regulations and permits it could have a material adverse affect on the Group's financial position and financial results.

#### *EU and US export control restrictions and sanctions*

The Group is covered by the EU's and US' export control regulations (the "**Control Restrictions**") and EU and US sanctions. The Control Restrictions establish a regime for control of exports of items that are considered strategic and potentially dangerous (i.e. dual-use items, including software and technology, that can be used for both civilian and military purposes, and includes items that can be used for the design, development, production or use of weapons of mass destruction). All companies based in the EU are subject to EU export control. The US export control rules apply to dual-use products that are manufactured in the US or outside of the US (if the products include US origin controlled components exceeding 10/25 per cent.).

The Group does from time to time conduct business operations in high-risk and/or sanctioned countries (Cuba, Iran, North Korea, Syria, Russia and Venezuela) and is transporting dual-use

items. The result of which is that the Group is constantly exposed to fines and risk of imprisonment for the management should the group fail to comply with the EU and US sanctions and the Control Restrictions. However, the Group operates with various screening mechanisms for onboarding new customers for the purpose to avoid trading directly or indirectly with sanctioned companies or persons by mistake and to ensure compliance with EU, UN and US sanction lists. Furthermore, the Group has implemented various code of conduct, compliance policies, an export compliance manual and a procedure for sanction screening in relation to North America. The Group has an export compliance specialist in the US and an additional compliance officer for the EU market is contemplated to be hired in 2023.

It is mainly the exporter's responsibility when exporting goods to countries subject to EU and US sanctions and to investigate whether the export of dual-use product to third countries requires and export permit or not and to obtain the permit. However, the freight forwarded, such as the Group, can be penalized for violating the Control Restrictions and be liable for a breach of EU and US sanctions if they have specific knowledge or presumption about transported goods which is prohibited under the Control Restrictions or violating EU and US sanctions.

Violation of the US export control restrictions may result in an exclusion from the US market (including a ban on trading with other companies that are subject to US jurisdiction and criminal penalties of up to 20 years of imprisonment and up to USD 1,000,000 in fines per violation. A breach of US sanctions could result in a fine or the company being excluded from the US market. In addition, management and owner may be banned from entering the US. A breach of sanctions may result in, *inter alia*, fines and criminal charges for the management. Violation of the EU control restriction may result in fines or up to 8 years in prison.

### **Errors, claims and legal disputes**

*Low level risk*

Claims or legal action may in the future be taken against the Group. Such claims may arise from clerical errors such as wrongful release of cargo (against instructions from the customer) or if goods have been delayed, lost or damaged during transportation. Claims from customers are common and are usually covered by insurance as they are most related to damage on transported goods. Although the Group has a global insurance policy in place, certain claims may fall outside the scope of the Group's existing insurance coverage. The Group is fully insured in relation to ongoing claims, but future claims and unfavourable outcome of legal disputes could have a negative effect on the Group's future operations and financial position.

### **Risks related to internal management**

#### **IT infrastructure**

*Medium level risk*

The Group depends on information technology to manage critical business processes, including administrative and financial functions for internal purposes as well as externally in relation to

the carriers, suppliers and customers. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of information technology systems would have a negative effect on the Group's operations. Furthermore, as the industry in which the Group operates is characterised by technological developments, the Group's profitability would be adversely affected should the Group fall behind their competitors on technological developments and/or not address the increasingly sophisticated needs of its customers. Failure of the Group's IT systems resulting in transaction errors and loss of customers and failure in developing new IT systems (including the enhancement of its existing systems) could have an adverse effect the Group's business, including its operations, earnings and financial position.

### **Dependency on key employees**

*Medium level risk*

The Group's future development largely depends on the skills, experience and commitment of its key employees who have been engaged in the Group for a long time, and have together developed the efficient day-to-day operations of the Group. Around 50 people, out of approximately 3,300 total employees, in the organisation are considered to be key people of the Group including key individuals at management level, for example CEO Allan Melgaard and CFO Claes Brønsgaard Pedersen. These employees also have a comprehensive knowledge of the industry in general and of the Group in particular. If such key personnel leave the Group in the future, or take up employment with a competing business, the Group's business, operations, earnings and financial position could suffer as a result of the loss of such key personnel.

To a significant degree, the Group's success is dependent on its ability to hire, retain and develop quality employees throughout the organisation. Since the Group's business is dependent on continued growth, it is also important that the Group has sufficient personnel to support such growth (including various projects to improve the Group's business). Accordingly, it is very important for the Group to be seen as an attractive employer. If the Group is unable to attract, retain and motivate qualified employees at all levels, the business of the Group would be effected in a negative way as the Group is largely dependent on its employees.

### **Recent and future acquisition activity**

*Medium level risk*

Entities or operations are regularly acquired by the Group in order to enter new markets, achieve growth, or otherwise enhance the offering of the business. Such acquisitions have in the past, and may in the future, result in an obligation to pay additional purchase price to the seller (earn outs), in many cases years after the relevant acquisition was completed, which could possibly affect the financial position, including the liquidity situation, of the Group. However, these contingent payments are often linked to post-acquisition performance and as such can be partially funded by the success of the acquisition target post-close. Following merger and acquisition activities, the Group has certain outstanding earn out payment obligations of USD 12,300,000 as of 30 November 2022, of which earn-out payments of USD 8,400,000 relates to



the acquisition of Orbis Global Logistics Limited. Furthermore, some of the existing acquisition agreements, and future share purchase agreements could, include provisions which limits the Group's possibilities to claim damages from the sellers and such damages could have an adverse affect on the Group's financial position.

Acquisition activities may present certain financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which may not achieve sales levels and profitability that justify the investments made. Even if due diligence is carried out prior to the acquisitions, there could be unidentified risks in the target companies. Future acquisitions could also result in, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which could harm the Group's financial condition or results of operations.

### **Growth of the Group's operations**

*Medium level risk*

The Group's future prospects depend on the Group's ability to: (i) expand its business in the Group's key markets, which includes Northern Europe, the US and the Greater China (ii) expand its business into new markets, the group expects to expand into, among others, Romania, Ukraine and Nigeria in the foreseeable future, (iii) identify potential acquisitions, (iv) achieve economies of scale and (v) further develop the business relationships with its key customers. The continuous growth of its operations is a crucial part of the Group's business model. If the Group fails to take advantage of acquisition opportunities or is unable to generate sufficient cash flow internally, or obtain alternative sources of capital on favourable terms in order to support such growth, it could have an adverse effect on the Group's opportunity to grow as planned which consequently would affect the Group's operations, earnings and financial position in a negative way.

### **Significant Shareholder and Exit**

*Low level risk*

Prior to the Acquisition, the Group's largest shareholder is a fund controlled by the private equity firm AEA Investors Small Business Fund III LP ("**AEA**"). The shareholders of the Group entered into a binding agreement dated February 2023 for the purpose of divesting the Company to private equity funds controlled by CVC Capital Partners ("**CVC**"), which will own approximately 75 per cent. of the Issuer's shares. AEA will roll over part of their equity proceed from the Acquisition and own 20 of the Issuer's shares. CVC and AEA will be the largest and the second largest shareholders. Private equity funds make investments with the objective of exiting the investment within a certain time frame. The shareholders may have interests which conflicts with those of the Bondholders. As large shareholders, CVC and AEA has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. Furthermore, the shareholders may also have an interest in pursuing acquisitions, divestitures, financings or other

transactions that, in their judgment, could enhance the value of their equity investments although such transactions might involve risks to the Bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it would have a significant negative effect on the Group, and in particular on the operations, earnings and financial position of the Group.

Furthermore, a change of control of the Group would entitle some of the Group's key customers to terminate their agreements with the Group. Such terminations may have a material adverse effect on the Group's business and financial position.

## **Risks related to customers, suppliers and contract provisions**

### **Exposure to key customers**

*Medium level risk*

The Group's twenty largest customers represent approximately 21 per cent. of the Group's gross profit. There are no volume commitments stipulated in the agreements with the material customers and there is a risk that not all significant customers will continue to purchase the Group's services in the same quantities that they have in the past. The loss of any of the Group's significant customers, or a material reduction in the purchasing of the Group's services by a significant customer may have a material adverse effect on the Group's business and financial position. Furthermore, the Group's customers and other counterparties may end up in a financial situation where they cannot pay the agreed fees or other amounts owed to the Group as they fall due, or otherwise abstain from fulfilling their obligations.

According to the United Nations' general conditions of contract, the United Nations may terminate agreements governed by these general conditions without cause following 60 days' prior written notice. In addition, the Group's customer agreement with Nordzucker AG (which accounts for approximately USD 60,000,000 in yearly revenue) includes a provision whereby such company is allowed to unjustifiably terminate the agreement subject to six months' notice. Relatedly, the customer agreement with Nordzucker AG also includes a change of control provision which will be triggered by the Acquisition. Given that the United Nations and Nordzucker AG are two of the Group's key customers, the loss of such contracts may have a material adverse effect on the Group's business and financial position. Similar clauses, i.e., where the customers can terminate the agreement without cause, are included in other agreements with major customers.

Larger customers demand longer terms of credit whereas the invoices from the Group's suppliers are generally due for payment on a shorter notice than the credit terms the Group extends to its larger customers. Some of the Group's largest customers also have complex invoice approval procedures which can delay payments and overdue trade receivables of 90 days or more. An increase mismatch in the terms of payment between certain trade receivables and trade payables could negatively affect the Group's liquidity situation.

A transportation project conducted by the Group could be delayed for reasons which are out of the Group's control. In addition to obligations to compensate the customer for costs incurred due to the delay, such delays may give rise to negative publicity which, whether justified or not, could affect the Group in a negative way by decreasing the earnings and financial position of the Group.

#### **Risks relating to contractual liability against customers**

##### *Medium level risk*

For large customers and projects, the Group uses written agreements outlining the scope of the obligations entailed between the Group and the customer respectively. For daily operations and smaller customers the Group uses industry specific standard terms by way of reference in email signatures as well as attaching written terms and conditions on the relevant freight documentation such as lading bills or airway bills. There are however several arrangements with customers where no written agreement is concluded why the customer's commitments towards the Group is undocumented such as e.g. dates when invoices become due and payable. Another factor is that undocumented deliveries prevents any visibility as to what is being freighted why there is a risk that freight relating to such undocumented assignments can contain the transportation of material subject to sanction laws. Accordingly, such undocumented arrangements could result in the Group becoming subject to fines and negative PR as well as prevent the Group from efficiently collecting amounts for services provided which can affect the Group's financial position adversely.

The written agreements used for large customers, as well as the industry specific standard terms includes limitation of liability clauses whereas the standard terms could be seen as reflecting current market conditions. Some of the material customer agreements do however include liability limitations that are considered customer friendly and deviates from what is to be seen as market standard. Furthermore, a few material agreements also lack inclusion of liability limitations in respect of damage, loss of goods or delivery delays, making the size of potential claim for damages unforeseeable. There is a constant risk that the deliveries of the Group are damaged, delayed or lost, why a customer may sue the Group for damages. Should the Group's insurance coverage not be sufficient to cover damages that becomes due and payable subject to any successful customer claims, the incurrence of such liability could have an adverse effect on the Group's financial position.

#### **Risks relating to suppliers and carriers**

##### *Medium level risk*

The Group's ability to service its customers depends on the available capacity and performance of its suppliers and carriers. For certain routes (especially from Asia), there have in the past been, and may in the future be, difficulties to ensure sufficient carrier capacity. Such carrier capacity shortage typically arises during the weeks prior to Christmas or during the run up towards the Chinese New Year. Available capacity of the Group's carriers may also be affected by labour

strikes or other unforeseen work stoppages. The Group's business, financial position and result of operation could be negatively affected if the Group is unable to maintain a national and international logistic network of suppliers or fails to ensure that the customers' shipments are properly delivered due to capacity scarcity of the carriers.

The Group regularly contracts with a large range of global suppliers and carriers. Failure by the Group's commercial counterparties to operate at a sufficiently high ethical standard or to comply with, *inter alia*, anti-corruption, environmental or labour laws or regulations or to obtain necessary permits and licenses may adversely affect the Group's reputation by association and prejudice the forging of future business and relationships which, in turn, may adversely impact the Group's business, results of operations and financial condition.

### **Pricing of the Group's services and procurement**

#### *Low level risk*

Approximately 40 per cent. of the Group's gross profit arises from origin and destination services. The remaining gross profit primarily arises from the margin between customer pricing and carrier pricing. Carrier costs is the single largest cost item for the Group and the Group is exposed to the risk of prices being increased by its suppliers. In addition, external factors such as market conditions, currency fluctuations and consumer demand affect the prices for the services provided by the Group's suppliers. Some of the Group's key agreements lack provisions enabling automatic price adjustments should the costs be affected due to such factors. The current estimate is that the Group is exposed to movement in freight rates in approximately 10 % of all customer contracts. Inability to pass any increase in carrier costs further on to its customers, improper pricing, rising carrier costs or a decline in customer demand may affect the Group's operations, earnings and financial position in a negative way.

### **Financial risks**

#### **Currency risk**

#### *Low level risk*

The Group's functional currency is Danish Krone ("DKK"). Although the Group's primary operations and cash flows are typically denominated in DKK, the Group also have operations and costs that are not denominated in DKK. As a result, the Group is exposed to the risk of changes in exchange rates primarily relating to the Group's operating activities (revenue or expenses which are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The main currencies for revenue and costs are USD, EUR, RMB, DKK and SEK. Should there be any unfavourable fluctuations in exchange rates, regardless of such changes being within the historical range between the relevant currencies or being unprecedented, such fluctuations will have an adverse impact on the Group's earnings and financial position.

The Group does not currently conduct any large scale hedging and is consequently exposed to unfavourable fluctuations in currency exchange rates, which may adversely impact the Group's earnings and financial position. The Issuer shall present its financial statements in DKK. As a result, the Issuer must translate the assets, liabilities, revenue and expenses of all of its operations with functional currencies other than DKK into DKK at then-applicable exchange rates. Consequently, increases or decreases in the value of other currencies may affect the value of these items with respect to the Issuer's non-DKK businesses in its consolidated financial statements, even if their values have not changed in their original currency. These translations could significantly affect the comparability of the Issuer's results between financial periods or result in significant changes to the carrying value of the Issuer's assets, liabilities and equity.

### **Borrowings by the Group and interest rate risk**

#### *Low level risk*

The Group has incurred, and may in compliance with the limits to be set out in the Terms and Conditions, incur further financial indebtedness to finance its business operations. Such financing may result in interest costs which may be higher than the returns gained by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Interests on the Group's borrowings from time to time are subject to fluctuations in the applicable interest rates. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. Interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. Recently, central banks have repeatedly raised interest rates to slow down the inflation and additional raises are probable in the short term. There is a risk that such increase in interest rates would entail an increase in the Group's interest obligations, for example, should the base rate of the Bonds increase by 50 base points, the increased costs relating to interest payments would be EUR 3,750,000, which would have a negative effect on the Group's cash flow and if additional raises are made and sustained for a longer period of time, it would have an adverse effect on the Group's financial position, business and result of operation as well as the value on the Bonds held by the Bondholders.

## **RISKS RELATING TO THE BONDS**

### **Risks related to the nature of the bonds**

#### **Change of control**

#### *Medium level risk*

According to the Terms and Conditions, if a change of control event occurs, the Bondholders will have a right of prepayment of the Bonds (put option). There is a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the Bondholders use its right of prepayment

which would have a significant negative effect on the Bondholders' rights under the Terms and Conditions and would consequently lead to a negative effect for the Group's financial position.

### **Risks related to early redemption**

*Medium level risk*

Under the Terms and Conditions, the Issuer will reserve the possibility to redeem all outstanding Bonds before the final redemption date. Furthermore, the Issuer may at one occasion, in connection with an initial public offering of the shares in the Issuer (after which such shares will be admitted to trading on a regulated market), repay up to 35 per cent. of the nominal amount outstanding under the Bonds. Further, the Issuer has reserved the possibility to partially redeem the Bonds in a maximum aggregate amount not exceeding ten per cent. of the total Nominal Amount during each twelve month period with a right to carry forward of any unutilised redemption amount to the next twelve month period.

If the Bonds are redeemed before the final redemption date, the Bondholders will have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds. It is possible that the Issuer, in the event of a mandatory prepayment, will not have sufficient funds to carry out the required redemption of Bonds.

### **Risks relating to the clearing and settlement in Verdipapirsentralen ASA's book-entry system**

*Low level risk*

The Bonds will be affiliated with Verdipapirsentralen ASA's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds are carried out within Verdipapirsentralen ASA's book-entry system as well as payment of interest and repayment of the principal. Bondholders are therefore dependent on the functionality of Verdipapirsentralen ASA's account-based system and there is a risk that any problems thereof would have a negative effect on the payment of interest and repayment of principal under the Bonds.

### **Risks related to security**

#### **Risks related to the intercreditor arrangements**

*Medium level risk*

#### General risks related to the intercreditor arrangements

Certain direct and indirect subsidiaries of the Issuer have or may in the future incur debt under super senior working capital facilities (the "**Super Senior Debt**") which will, in accordance with the terms of the applicable Intercreditor Agreement(s) (as defined below), rank senior to the Bonds.

As of the First Issue Date, SGL International A/S has, together with certain of its subsidiaries, incurred Super Senior Debt provided by Jyske Bank on an uncommitted basis (the "**Danish Super Senior Debt**"). The relationship between the bondholders under SGL International A/S's existing bonds with ISIN SE0015810759 and SE0013101219 (the "**Existing Senior Bonds**") and the creditors in respect of the Danish Super Senior Debt is governed by an existing intercreditor agreement originally dated 25 November 2019 (as amended and restated from time to time) and entered into between, *inter alios*, SGL International A/S, Intertrust (Sweden) AB and Jyske Bank ("**SGL International Intercreditor Agreement**").

Further, TransGroup Global Inc (the "**US HoldCo**") have, together with certain of its subsidiaries, incurred Super Senior Debt (the "**US HoldCo Super Senior Debt**") provided by certain lenders represented by Bank of America, as agent (the "**US SSRCF Agent**"). The relationship between the bondholders under the Existing Senior Bonds and the creditors in respect of the US HoldCo Super Senior Debt is governed by an intercreditor agreement originally dated 25 November 2019 (as amended and restated from time to time) (the "**US HoldCo Intercreditor Agreement**") and entered into between, *inter alios*, the US HoldCo, the US SSRCF Agent and Intertrust (Sweden) AB.

The Security Agent (as defined below)(on behalf of the Bondholders) intend to either (i) accede the Bonds as senior secured debt pursuant to the terms of the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement prior to or in close connection with the disbursement of the Net Proceeds from the Proceeds Accounts or (ii) replace the SGL International Intercreditor Agreement, and potentially the US HoldCo Intercreditor Agreement, with a Replacement Intercreditor Agreement (as defined below), with the holders of any Danish Super Senior Debt and potentially any US HoldCo Super Senior Debt upon redemption of the Existing Bonds and, if applicable, the Danish Super Senior Debt and/or the US HoldCo Super Senior Debt.

If the Bonds are not acceded as senior secured debt to the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement or in a Replacement Intercreditor Agreement (as defined below), Bondholders will not receive the benefit of any security that would rank *pari passu* with the Senior Debt which would result in the security position of the Bondholders being materially impaired.

The SGL International Intercreditor Agreement, the US HoldCo Intercreditor Agreement and any intercreditor agreement replacing any or both of those agreements (being a "**Replacement Intercreditor Agreement**") shall hereinafter jointly be referred to as the "**Intercreditor Agreements**" and each an "**Intercreditor Agreement**".

The secured creditors under the Danish Super Senior Debt will have first priority security over certain assets of the Group and, consequently, the Bonds will, to the extent permitted by the applicable laws and regulations, together with any other *pari passu* debt permitted to be incurred under the Terms and Conditions and which has been acceded to an Intercreditor Agreement as "New Debt" (a "**New Senior Debt**"), will share the first priority security over certain assets of the Group in accordance with an Intercreditor Agreement but will be junior

ranking in respect of the proceeds of enforcement of that security. The Bondholders may not receive the benefit of certain security where the creation of second priority security over the assets are not feasible under applicable laws and regulation, which would result in the security position of the Bondholders being impaired. The Issuer may also incur second lien financing in accordance with the Terms and Conditions and such second lien debt (the "**Second Lien Debt**") will have a third priority security to those assets. The Bonds, the Existing Bonds and any New Senior Debt are hereinafter jointly referred to as the "**Senior Debt**".

There is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to repay any amounts of the obligations under the Bonds after the Super Senior Debt has been repaid and *pro rata* application of any surplus proceeds towards repayment of the Senior Debt. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer incurs additional Super Senior Debt (including hedging), issues subsequent Bonds and/or incur other *pari passu* debt which will be secured in accordance with an Intercreditor Agreement, the security position of the Bondholders may be impaired.

The security agent will in accordance with the Intercreditor Agreements in some cases take instructions from a super senior representative under the Super Senior Debt. There is a risk that the security agent and/or a super senior representative under the Super Senior Debt will act in a manner or give instructions not preferable to the Bondholders. In addition, the security agent will in some cases take instructions from a senior representative, acting on instruction of those senior creditors whose Senior Debt at that time aggregate to more than 50 per cent of the total Senior Debt. If the outstanding Senior Debt towards other senior creditors than the Bondholders exceed the obligations under the Bonds, the Bondholders will therefore not be in a position to control the enforcement procedure.

The SGL International Intercreditor Agreement also contains (and a Replacement Intercreditor Agreement will contain) provisions regarding the application of proceeds from an enforcement of security which will be distributed in the following order: firstly, to any agent for any secured creditor under the SGL International Intercreditor Agreement, secondly any creditor *pro rata* under any Danish Super Senior Debt (including liabilities under super senior hedges), thirdly any creditor *pro rata* under any Danish Super Senior Debt (including the Bondholders), fourthly, any creditor *pro rata* under any Second Lien Debt and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above in order for the Bondholder to receive any proceeds.

#### Risks specifically related to the US HoldCo intercreditor arrangement

The secured creditors under the US HoldCo Super Senior Debt will benefit from first priority security over the assets in the US HoldCo, Transfair North America International Freight Services, LLC ("**Transfair**") and certain of their US subsidiaries other than equity interests and,



consequently, the Bondholders together with the other creditors of the Senior Debt will benefit from second priority security to those assets and first priority over the shares in the US HoldCo, Transfair and such subsidiaries. There is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to repay any amounts of the obligations under the Bonds and the other Senior Debt after the US HoldCo Super Senior Debt has been repaid.

The creditors under the US HoldCo Super Senior Debt are not obliged to observe any standstill period in relation to the Bondholders before enforcing any security to which they have first priority. There is a risk that the Bondholders will not be able to act before the creditors under the US HoldCo Super Senior Debt start enforcing security which would give the Bondholders less influence over the enforcement proceedings and the enforcement by the creditors under the US HoldCo Super Senior Debt could have a material adverse effect on the security position of the Bondholders.

The US HoldCo Intercreditor Agreement contains (and any Replacement Intercreditor Agreement will contain) the option, for a 20 business day period following the occurrence and continuance of an event of default under, or the acceleration of, the US Holdco Super Senior Debt or the commencement of insolvency proceedings in respect of the Group Companies party thereto, for the creditors of Senior Debt (including the Bondholders) to purchase the US HoldCo Super Senior Debt in full, within 10 (but not less than 5) business days, and upon giving five 5 business days prior written notice by the representative of the Senior Debt to the US SSRFC Agent. There is a risk that the Bondholders may not have time to convene or come to a consensus to exercise the purchase option within 20 business days and hence may miss the opportunity to exercise this right, therefore giving the creditors under the US HoldCo Super Senior Debt the right to enforce which would have a material effect on the security position of the Bondholders.

The US HoldCo Intercreditor Agreement also contains (and any Replacement Intercreditor Agreement will contain) provisions regarding the application of proceeds from an enforcement of security which will be distributed in the following order: (i) with respect to the security assets over which the creditors of the Senior Debt have second priority security, so long as the US Holdco Super Senior Debt remains outstanding, firstly, to the creditors of the US Holdco Super Senior Debt in the order set forth in the revolving loan agreement, and secondly, to the creditors of the Senior Debt in the order set forth in the Terms and Conditions and the SGL International Intercreditor Agreement, and (ii) with respect to the security assets over which the creditors of the Senior Debt have first priority security, firstly, to the creditors of the Senior Debt in the order set forth in the Terms and Conditions and the SGL International Intercreditor Agreement and secondly to the creditors of the US Holdco Super Senior Debt in the order set forth in the revolving loan agreement.

### **Risks relating to the guarantees**

*High level risk*

Although the Group's obligations towards the Bondholders under the Bonds to a limited extent are guaranteed, there is risk that any enforcement of claims under the guarantees would be insufficient to satisfy all amounts owed to the Bondholders at the time of enforcement. Furthermore, subject to the limitations set forth in the documents governing the Super Senior Debt and/or the guarantees (as applicable), guarantors are not restricted from granting any additional guarantees. If the guarantors were to guarantee any other obligations, there is a risk that guarantees granted in favour of the current Bondholders would be impaired.

Any guarantees of the Issuer's obligations under the Bonds from the Issuer's direct and indirect subsidiaries are limited by the relevant financial assistance rules and corporate benefit principles.

If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the Bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds, in part because there is a risk that the guarantees granted in respect of the Bonds will be insufficient in respect of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

The payment obligations of the Issuer under the Bonds are structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Issuer and the subsidiaries of such subsidiaries. The Guarantors unconditionally and irrevocably guarantee the payment obligations of the Issuer under the Bonds. Accordingly, the Bonds have the benefit of a direct claim on the Guarantors but not on all members of the Group. The benefit of the guarantees is also limited by the provisions of the Intercreditor Agreements and general provisions of law in any applicable jurisdiction.

In certain jurisdictions, the amendment or extension of a primary obligations without further reference to the guarantor or surety may result in the guarantee being void, considered discharged and/or unenforceable against the guarantor. In such circumstances the value of the guarantees granted in favour of the Bondholders would be impaired.

There is a risk that guarantees granted under the Bonds could be unenforceable or that enforcement of the claims under the guarantees could be delayed according to Swedish law, Danish law, applicable US law, PRC law, Hong Kong law, English law, Spanish law, Australian law, Mexican law or any other applicable laws. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the Bondholders receiving the amounts owed to them under the Bonds.

#### *Risks relating to guarantees from Danish subsidiaries*

The majority of the proceeds from the Bonds that have been issued will be used to refinance the Existing Bonds either by way of redemption or in exchange for Bonds. The residual amount of the net proceeds of the Bonds will be used for payment of the purchase price of the Acquisition and cost related to the Transaction. Pursuant to the Danish statutory provisions on unlawful financial assistance, including sections 206 through 212 of the Danish Companies Act (Da.

*selskabsloven*) as amended and supplemented from time to time, a Danish target company may not guarantee debt incurred to finance or refinance the acquisition of the shares in the company itself or any of its direct or indirect parent companies. Any guarantee of the Group's obligations towards the Bondholders from SGL International A/S or its direct or indirect subsidiaries will thus not be applicable nor enforceable for the majority of the obligations under the initial and any subsequent Bonds due to the applicable limitations under the Danish statutory provisions on unlawful financial assistance.

Under Danish law, the provision of any of the guarantees provided may be set aside and clawed-back under applicable Danish law claimed by an administrator of the guarantor in bankruptcy in the event that the guarantor is deemed to have been or become insolvent at the time the guarantee was provided, or due to the guarantee was provided, and the secured parties knew or had reason to believe that the guarantor was or became insolvent, subject to applicable hardening periods if any.

#### Risks relating to guarantees from Spanish subsidiaries

Guarantees granted by the guarantors incorporated in Spain will not cover those obligations or liabilities which, if guaranteed, will constitute or may constitute an infringement of Spanish financial assistance laws in accordance with Articles 143.2 and 150 of Spanish Decree 1/2010 dated July 2 on Spanish Corporations (*Ley de Sociedades de Capital*) ("**Spanish Companies Act**").

The obligations under the Guarantees granted by a Spanish Guarantor in the form of a *sociedad de responsabilidad limitada* shall not exceed an amount equal to twice its equity (*recursos propios*), which shall apply to the guarantee issued by Naypemar Barcelona, S.L.

Corporate benefit restrictions may also limit the effectiveness of the guarantees and/or any transaction security granted by any guarantor incorporated in Spain, having an adverse effect on the recovery of the Bondholders under the Bonds.

#### Risks relating to guarantees from Mexican subsidiaries

If a Mexican guarantor becomes insolvent, the Mexican bankruptcy law may, under certain circumstances, determine that any guarantee granted by such guarantor is void and, therefore, the bankruptcy judge may request that the assets serving as collateral under such guarantees be comingled with the bankruptcy estate (*masa concursal*). Certain cases which could result in such a determination include, but are not limited to, transactions with terms and conditions that significantly differ from standard market practice, payment of undue obligations, the granting of guarantees or the increase of existent ones when the principal obligation did not provide for such guarantees or increase, the payment of indebtedness made in kind when such payment was agreed to be made in cash, transactions with related parties, among others. Under Mexican insolvency laws, the standard lookback or hardening period is 260 calendar days prior to the date on which the insolvency was declared, but, in some cases, may be extended for a maximum period of up to 3 years. In the event a guaranty granted by a Mexican guarantor is determined to be void due to the hardening period as described above, there is a risk that Bondholders may

not receive the benefit of such guarantees, having an adverse effect on the recovery of the Bondholders under the Bonds.

In addition to the foregoing, the enforcement of payment obligations of our Mexican guarantors may be difficult to achieve (if achieved at all) if the documents evidencing such guaranties are not amended and such amendment is not perfected pursuant to Mexican law formalities (including the execution of the corresponding amendment agreements by duly appointed attorneys-in-fact of the guarantors with sufficient powers of attorney to represent such guarantors, and the registration of such amendment in the Mexican Sole Registry of Moveable Assets (*Registro Único de Garantías Mobiliarias*)) in order to refer to the additional obligations (such as those under the Bonds) being secured by such guarantees.

Under Mexican laws, any company guaranteeing third-party obligations is required to provide for such an ability within its corporate purpose according to its bylaws (even if the third party is a related party to the guarantor). Failure to do so would result in the risk of the corresponding guarantee being declared void in case of a judicial proceeding. If determined void, there is a risk that Bondholders may not receive the benefit of such guarantees, having an adverse effect on the recovery of the Bondholders under the Bonds.

#### *Risks relating to guarantees from PRC subsidiaries*

Under PRC law, the repayment of the Bonds and the Guarantee may be compromised if: (i) the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings; (ii) there is a default in payment under the Guarantor's secured indebtedness or other unsecured indebtedness; or (iii) there is an acceleration of any of the Guarantor's indebtedness. If any of these events were to occur, the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds and under the Guarantee.

#### **Risks relating to the transaction security**

##### *High level risk*

Although the Issuer's obligations towards the Bondholders under the Bonds are secured by first priority pledges over the shares in certain Group companies, first and second priority business mortgages over the assets of certain Group Companies, second priority security interest in substantially all of the US assets of certain US Group Companies other than shares, a first priority pledge over all present and future moveable assets of a Mexican guarantor as well as security over certain intragroup loans from the Issuer to any subsidiary, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Bondholders.

The Bondholders are contemplated to be represented by the existing security agent under the Intercreditor Agreements, being Intertrust (Sweden) AB, as security agent (the "**Security Agent**") in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting,

maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security is subject to hardening periods in certain jurisdictions.

The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the Bondholders' rights to the security.

If a subsidiary, which shares have been pledged in favour of the Bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the Bondholders. As a result, the Bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

The value of any intra-group loan granted by the Issuer to any subsidiary, which is subject to security in favour of the Security Agent on behalf of the Bondholders, is largely dependent on such subsidiary's ability to repay its loan. Furthermore, all intragroup claims from the Issuer to Transfair, over which (under certain circumstances) security will be granted, will be subordinated to the creditors under the US HoldCo Super Senior Debt in accordance with a separate subordination agreement. Should a subsidiary be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the Bondholders may not recover the full or any value of the security granted over the intra-group loan.

Security interests granted by companies in, or under the laws of, certain jurisdictions and over certain assets can only be properly perfected, and the priority of it retained, through certain actions undertaken by the secured party or the security provider. Absent perfection of the security interests, the holder of the security interests may have difficulty enforcing or may be entirely unable to enforce such holder's rights in the security in competition with third parties, including an administrator or other officeholder in bankruptcy/insolvency and other creditors who have a claim over the asset. In addition, a debtor may in certain circumstances discharge its obligations under a receivable by paying to the security provider until the debtor receives a notification to the contrary. Finally, in certain jurisdictions, the ranking of pledges may be determined by the date on which they are perfected. A security interest created on a later date but perfected earlier would generally have priority.

If security interests have not been (i) created prior to or simultaneously with the establishment of the debt which they are securing (i.e. they are securing old debt), and (ii) perfected without undue delay after the creation of such debt, the security interests may be voidable under the laws of certain jurisdictions (see more specified risks related to certain relevant jurisdictions in these risk factors).

The security interests have not been granted directly to the Bondholders but to the Security Agent as security agent. The Bondholders will not have any direct security interest and will not be entitled to take any enforcement action in respect of the transaction security securing the Bonds, except through the Security Agent, who will act in accordance with the terms of the Intercreditor Agreements.

The Security Agent acts not only as security agent for the Bondholders but also as security agent for other secured parties under the Intercreditor Agreement(s). In certain situations, the Security Agent will accordingly be obliged under the Intercreditor Agreement(s) to act on behalf of and under and following the instructions of other parties than the Bondholders.

In addition, the ability of the Security Agent to enforce the transaction security will be subject to mandatory provisions of laws in each jurisdiction in which transaction security is granted. For example, the laws of certain jurisdictions may not allow for an appropriation of certain pledged assets but require a sale through a public auction and certain waiting periods may apply. There may also be uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Bonds that are not identified as registered holders in a security document or who have not accepted the security on their own representation and on behalf of or through a properly appointed representative will be validly secured.

To the extent that the security interests in the transaction security created for the benefit of the Security Agent are successfully challenged by other parties, the Bondholders will not be entitled to receive on this basis any proceeds from an enforcement of the relevant transaction security. In addition, the Bondholders bear the risks associated with the possible insolvency or bankruptcy of the Security Agent, which could, in particular, under certain circumstances, result in a delay in enforcement, diminishing value or even loss of the transaction security.

The amendment, extension or granting of the guarantees and/or security interests to secure the Bonds may create hardening or voidance periods for such guarantees and security interests in certain jurisdictions. The granting of shared security interests to secure future permitted debt may restart or reopen such hardening or voidance periods in particular, because the Terms and Conditions and the SGL International A/S Intercreditor Agreement permits (and a Replacement Intercreditor Agreement will permit) the incurrence of debt which shall share in the existing security package. The applicable hardening or voidance period for these new security interests can run from the moment each new security interest has been granted, perfected, amended, confirmed, or recreated. At each such time, if the security interest granted or recreated were to be enforced before the end of the respective hardening or voidance period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

Any existing transaction security that is also intended to secure the obligations of the Issuer (and/or any Guarantor) in relation to the Bonds may not extend to include any such obligations in respect of the Bonds. Should this occur, there is a risk that the Bondholders do not receive an amount sufficient to satisfy all amounts then owed to the Bondholders.

Risks relating to the Danish law transaction security

The value of the Danish law floating charges granted by a Group Company, which are granted in favour of the Security Agent on behalf of the Bondholders, are dependent on the value of the charged assets held by the relevant Group Company at the time of the enforcement. It shall be noted that, a floating charge creates a security interest over certain movable assets (*Da. løstørelse*) belonging to the company and connected to the company's business. The floating charge gives the creditors a right to succession to 100 per cent of the value of the charged movable assets, up to an amount equal to the secured claim, provided that claims with higher priority (e.g. which are subject to individual pledges) have been satisfied. Other than as set out in the Terms and Conditions, the Group Company may dispose of its assets which will affect the value of the Group Company's assets which are subject to the floating charge. In addition, should the Group Company, in contradiction to the Terms and Conditions, separately pledge any assets, e.g. its IPR rights, such assets will be carved-out from the assets covered by the floating charge in certain situations. Should this occur, the value of the granted security will be adversely affected and there is a risk that the Bondholders do not receive an amount sufficient to satisfy all amounts then owed to the Bondholders.

Any security provided for the Issuer's obligations from the Issuer's direct and indirect subsidiaries are limited by any applicable statutory provisions on unlawful financial assistance corporate benefit principles. Further, any security provided for the Issuer's obligations under the Bonds from the Issuer's Danish subsidiaries, and not related to proceeds from the Bonds which have been on-lent by the Issuer to that subsidiary or any of its subsidiaries, are limited to an amount equal to the equity of that Danish subsidiary.

The majority of the proceeds from the Bonds that have been issued will be used to refinance the Existing Bonds either by way of redemption or in exchange for Bonds. The residual amount of the net proceeds of the Bonds will be used for payment of the purchase price of the Acquisition and cost related to the Transaction. Pursuant to the Danish statutory provisions on unlawful financial assistance, including sections 206 through 212 of the Danish Companies Act (*Da. selskabsloven*) as amended and supplemented from time to time, a Danish target company may not secure debt incurred to finance or refinance the acquisition of the shares in the company itself or any of its direct or indirect parent companies. Although the Group's obligations towards the Bondholders under the Bonds are secured, any security provided by SGL International A/S or its direct or indirect subsidiaries, including but limited to any floating charges granted as security by SGL International A/S, will not apply nor be enforceable in relation to majority of debt obligations of the Bonds due to the applicable limitations under the Danish statutory provisions on unlawful financial assistance.

There is a risk that a Danish court will regard proceeds used for acquisition financing and other financing under one, if such proceeds have been commingled and it cannot be determined with reasonable certainty which proceeds have not been used to finance an acquisition. If a Danish court finds that this burden of proof has not been lifted by the Bondholders, it may subject provided security for debt not constituting acquisition debt to the Danish statutory provisions

on unlawful financial assistance applicable in respect to acquisition debt. This may limit enforceability of any security provided for such other debt which would further adversely affect the Bondholders ability to benefit from transaction security.

A Security interest in respect of which the relevant act of perfection has been carried out may be set aside and clawed-back under applicable Danish law if claimed by an administrator of the security provider in bankruptcy in the event that the security provider is deemed to have been or become insolvent at the time the security interests were provided, or due to the security interests were provided, and the secured parties knew or had reason to believe that the security provider was or became insolvent, subject to applicable hardening periods if any.

If security interests have not been (i) created prior to or simultaneously with the establishment of the debt which they are securing (i.e. they are securing old debt), and (ii) perfected without undue delay after the creation of such debt, the security interests may be voidable (*Da. omstødelig*) if insolvency proceedings are commenced against the provider of the security (i) during the three month period starting from the date of the act of perfection of such security interests or (ii) for an indefinite period if the security provider was insolvent at the time of perfection. According to case law and legal literature, the terms "simultaneously" and "without undue delay" must be strictly interpreted but taking into account the concrete circumstances relating to the relevant action required for perfection.

Provisions in documents creating security according to which secured parties are entitled to exercise rights and remedies may be limited by statutory rights of the providers of security in accordance with section 538(a)(2) of the Danish Administration of Justice Act according to which the secured party shall generally give one week's notice by registered mail to the provider of the security requesting that the provider of the security fulfil the claim due before selling the collateral assigned or pledged to the secured party.

The Danish Financial Supervisory Agency (*Finanstilsynet*) keeps a register of security agents in respect of bond issues. It is the Security Agent's responsibility to perform such registration with the Danish Financial Supervisory Agency. If the Security Agent fails to file for such registration, it will not be subject to the obligations or enjoy the rights assigned to such role under the applicable Danish law, which, *inter alia*, may limit the Security Agent's options to enforce security interests, and any bondholders' bankruptcy estate would not be bound by the appointment of the Security Agent without due registration.

#### Risks relating to the PRC law transaction security

##### *Risks related to failure to perfect security in the PRC*

Under PRC laws, a share pledge such as the pledge over the shares in Scan Global Logistics (Shanghai) Co., Ltd shall be agreed in writing and will be established when such pledge is registered with relevant authority. As a result, if the share pledge is not registered, the Bondholders (as pledgees under the share pledge) shall only have the right over the pledged assets on a contractual basis. This means that the pledgee will have the same right as any other



normal creditor of the relevant pledgor and will not have any priority in having its claim paid. The pledgor may pledge the shares for the benefit of a third party and register the pledge with relevant authority in order to perfect the security. In this case, the third party shall have the priority to enforce the shares.

With reference to the above, there is a risk that the transaction security will not be perfected if the Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. The Bondholders may have difficulty enforcing or may be entirely unable to enforce such holder's rights in the security. Such failure could result in the invalidity of the relevant transaction security or adversely affect the priority of such security interest in favour of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same transaction security. This may have an adverse effect on the value of the security that has been granted to the Bondholders and the Issuer. If the Issuer were to be unable to make repayment under the Bonds and a court was to render a judgment that the security granted in respect of the Bonds was unenforceable, there is a risk that the Bondholders could find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there could be a risk that the security granted in respect of the Bonds might be ineffective in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent. In addition, there is a risk that any enforcement could be delayed due to any inability to sell the security assets in a timely and efficient manner.

#### *Risks related to enforcing security in the PRC*

Pursuant to PRC Law, a secured creditor may enforce its security when (i) the debtor fails to make a payment of the debts that become due or (ii) an event of default, as agreed between the parties in the security agreement, occurs.

Under PRC law, any security provided may be clawed-back under applicable laws and regulation by a bankruptcy administrator. The bankruptcy administrator can request the court to nullify the security provided to any existing unsecured debt during the one-year period before the court accepts the application for bankruptcy of the security provider. If the court holds that the right of rescission is established, the Bondholders may not be repaid in priority with respect to the PRC assets subject to security.

When enforcing a security, the beneficiary may enter into an agreement with the security provider that the beneficiary be given the priority in being paid with the money into which the security assets is converted or the proceeds obtained from auction or sale of the property. If the beneficiary and the security provider fail to agree on the realisation method of the security, the beneficiary shall apply to the court to sell or auction the mortgaged property. The security property or assets shall be converted into money or be sold off by referring to its market price.

In circumstance where the security provider challenges the existence or validity of security or the beneficiary's right to enforce such security (for example, on the ground that the guarantor has not defaulted under the relevant finance documents), the beneficiary will have to start

litigation or arbitration proceedings against the security provider to obtain a judgment or arbitral award. The beneficiary will then apply to the court to enforce the judgment or award. There is therefore a risk that the enforceability of such transaction security could be subject to a certain degree of uncertainty or that the enforcement of such security could be delayed. This may have an adverse effect on the value of the security that has been granted to the Bondholders.

If an insolvency procedure has started, enforcement of security given by the bankrupt debtor must be stayed until the liquidator takes over the bankrupt debtor's assets. This means the security enforcement will be delayed. The secured creditor's claim will be satisfied at the end of the bankruptcy proceedings from the proceeds of the realised security assets or the repayment by the guarantor. An unsecured creditor's claim will be satisfied at the end of the bankruptcy proceedings from the remaining assets of the bankrupt debtor in a *pari passu* ranking with other unsecured creditors. There may also be certain timing issue when enforcing a security in the PRC. PRC courts do not have enough resources, and, as such, there is a back-log of cases. This could mean that it could take time to enforce a security.

All of the above may have an adverse effect on the value of the security that has been granted to the Bondholders and the Issuer.

#### *Risks related to enforcing foreign court judgements in PRC*

To enforce a foreign court judgment or an arbitration award in the PRC, the secured party shall first apply to a PRC court having jurisdiction for the recognition and execution of the foreign judgment or arbitration award. Such foreign judgment or arbitration award will be examined by the PRC court in accordance with the international treaties concluded or acceded to by the PRC or with the principle of reciprocity.

There is a risk that the PRC court may not recognise or enforce a foreign judgment if the court decides that the foreign judgment contradicts the primary principles of the PRC laws or violates PRC state sovereignty, security and social and public interest of the country or the judgment was obtained by fraud. As a general matter, a judgment of a court of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. Currently, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, most other European countries or Japan. Hence, the recognition and enforcement in the PRC of a judgment of a court in any of these jurisdictions may be difficult or even impossible.

In addition, even the PRC court recognise the foreign judgment, due to the uncertainties of the PRC legal system, the procedure to enforce a judgment would become time consuming. There is therefore a risk that transaction security granted to secure the Bonds could be unenforceable or enforcement of the security could be delayed according to applicable laws. This may have an adverse effect on the value of the security that has been granted to the Bondholders.

*Risks related to the feasibility of the guarantee or security provided by PRC Guarantors or security providers*

Any guarantor incorporated in the PRC (a “**PRC Guarantor**”) is required to complete registration within the required period after the issuance of the Bonds pursuant to the Provisions on the Foreign Exchange Administration of Cross-border Guarantee (跨境担保外汇管理规定) promulgated by the State Administration of Foreign Exchange of the PRC (“**SAFE**”) on 12 May 2014 (the “**Foreign Exchange Cross-Border Guarantee Rules**”), the Operational Guidelines on Foreign Exchange Administration of Cross-border Guarantee (跨境担保外汇管理操作指引) promulgated by SAFE on 12 May 2014 (the “**SAFE Guidelines**”), and other relevant regulations. Similarly, any cross-border security provided by a PRC security provider (if any) in favor of the Bondholders will be subject to the same SAFE registration.

A PRC Guarantor or security provider will be unable to complete the registration of the guarantee/security in respect of the Bonds with SAFE as the requirements specified in the SAFE Guidelines cannot be satisfied at the time of the issuance of the Bonds. Further, according to the Foreign Exchange Cross-Border Guarantee Rules and the SAFE Guidelines, if the guarantee or security agreements are nonetheless entered into, SAFE may impose penalties on the PRC Guarantor or security provider due to the failure to complete the SAFE registration.

Therefore, the Bondholders are unable to enjoy the benefit of any guarantee or security provided by PRC entities.

*Risks relating to enforcement of US Security*

Ability to foreclose on the collateral may be limited by the FCC and other regulatory agencies. The creation of any lien and the exercise of any remedy, with respect to any FCC license must be consistent with the rules and regulations administered by the FCC. The collateral agent for the Bonds has acknowledged in the security documents that: (a) with respect to certain of the collateral, the collateral agent’s security interests and ability to foreclose on such security will be limited by the need to comply with applicable law; (b) the collateral agent is not entitled to exercise any rights with respect to the collateral if such action would constitute or result in any assignment of an FCC license or any change of control (whether as a matter of law or fact) of the holder of any FCC license unless the prior approval of the FCC is first obtained; (c) the Guarantors cannot assure the collateral agent that any such required FCC approval can be obtained on a timely basis or at all; (d) these requirements may limit the number of potential bidders for certain collateral in any foreclosure and may delay any sale, either of which events may have an adverse effect on the sale price of the collateral; and (e) therefore, the practical value of realizing on the collateral may, without the appropriate FCC consents, be limited, which under certain circumstances could affect your ability to recover your investment in the Bonds. The collateral securing the Bonds is subject to obsolescence, impairment, and casualty risks. We maintain insurance or otherwise insure against certain hazards. There are, however, losses that may be not be insured. The value of the assets that the Issuers and the other Guarantors own or lease

serving as collateral may be materially adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. If there is a total or partial loss of any of the pledged collateral, there is a risk that any insurance proceeds received will not be sufficient to satisfy all the secured obligations, including the Bonds.

There is a risk that the proceeds of any enforcement sale of the pledged shares or that the sums of money standing on the pledged debt service account will not be sufficient to satisfy all amounts owed to the Bondholders. If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

*Risks relating to the Australian guarantees and transaction security*

If an Australian Group Company becomes insolvent, different procedures under Australian law may apply or be available that could each have a different impact on creditors, which could include a compromise of claims without the consent of all affected creditors.

Australian law may determine that any guarantee or security granted by an Australian Group Company (each an “**Australian Obligor**”) is void, set aside or otherwise limited, having an adverse effect on the recovery of the Bondholders under the Bonds. Some types of voidable transactions under Australian law include unfair preferences, uncommercial transactions, unfair loans, unreasonable director-related transactions and transactions defrauding creditors, with different tests and clawback periods applying to these (for example, 6 months for unfair preferences, 2 years for uncommercial transactions or 4 years in either case if a related party is involved, in each case before the start of the relevant insolvency procedure). Other laws have been enacted or exist in Australia under which a guarantee or security may be set aside or otherwise avoided, including as a result of the application of laws in relation to the Australian Obligor’s directors’ duties such as duties to act in the best interests of the company and for proper purposes (which includes corporate benefit considerations). To the extent that a guarantee or security is voided or otherwise held to be voidable or unenforceable, any direct claims against the relevant Australian Obligor could be lost or limited, and the payments previously received from that guarantor may be required to be returned.

The rights of Bondholders or the Security Agent (as applicable) to enforce against an Australian Obligor and/or the collateral over shares in an Australian Group Company will be subject to limitations under Australian law. For example, certain rights may be stayed or subject to a moratorium during insolvency or related events. In a voluntary administration of an Australian Obligor (typically the first stage of insolvency proceedings in Australia), the Security Agent will be prevented from enforcing a security interest by appointing a receiver unless (i) the security is over the whole or substantially the whole of the company’s property (which, given the Australian transaction security is limited to shares, may not be the case) and (ii) the appointment is made within a 13 business days “decision period” following the commencement of the voluntary administration.

Australia's foreign investment rules place restrictions upon foreign persons owning or having an interest in assets and shares of Australian companies. If the security is enforced, those rules may require the Security Agent to be making a genuine attempt to dispose of that interest within 6 or 12 months of enforcement (depending on certain factors). Those rules could also limit the persons to whom a sale or transfer could be made on enforcement.

The Personal Property Securities Act 2009 of Australia (the "PPSA") establishes a national system for the registration of security interests, and a system of priority and other provisions that affect most collateral other than land. Under the PPSA, the Australian security may be susceptible to a loss of priority (or in certain circumstances extinguishment) unless the security interest has attached to the relevant collateral and has been perfected by registration within 20 business days of the date of the security agreement. Perfection will usually occur upon registration of the security interest on the Personal Property Securities Register within the requisite timeframe (but perfection can also be effected by "possession" or "control" of the relevant collateral in some cases). If a security interest is not perfected or is extinguished, this will have an adverse effect on the interests and security position of the Bondholders.

*Risks relating to enforcement of Spanish transaction security*

The Spanish security is intended to secure the Bonds as well as other obligations in accordance with the Intercreditor Agreements. Pursuant to Spanish law, a security interest securing more than one obligation (either as one security per obligation or as a global security) may be declared void and null by a Spanish court, which will have an adverse effect on the interest of the Bondholders.

*Corporate benefit in cross-collateral security structures*

The Spanish Guarantors will be granting guarantees and security for the Bonds issued by the Issuer who will be receiving the proceeds of the Bonds. It can be argued whether such Spanish Guarantors have obtained a corporate benefit for granting the relevant guarantee or collateral over their assets.

There is no concept of "corporate benefit" expressly regulated under the Spanish Companies Act or any other Spanish legislation. However, Spanish lower courts, particularly Spanish commercial courts (*Juzgados de lo Mercantil*) ruling on insolvency matters, are declaring null or rescinding upstream guarantees by applying the rebuttable presumption of actions detrimental to the estate of an affiliate granting guarantees or security interests in favor of the liabilities incurred by a parent company and/or other companies of its group for the purposes of Article 226 of the Spanish Royal Legislative Decree 1/2020 of May 5, approving the Spanish Recast Insolvency Law (i.e. rescission or claw-back of these actions during the 2-year hardening period, as described below), when the obligations guaranteed or secured do not provide a direct benefit to the Spanish company granting such guarantee or security interest. If no, or insufficient, corporate benefit is deemed to have been derived by the Spanish guarantor and/or security

provider by the Spanish courts there is a risk that the recovery of the Bondholders in an enforcement of the guarantee and/or transaction security is adversely affected.

#### *Security agency structure*

Spanish collateral must be granted in favor of each and every one of the secured parties under the relevant security document, and each secured party must accept said security interest. Spanish law neither expressly recognizes the concept of a security agent nor the concept of trustee and, therefore, the security agent or trustee structure may not be recognized by Spanish courts.

In the absence of powers of attorney granted in favor of the Security Agent by each of the secured parties duly notarized and, if necessary, with the Apostille of The Hague Convention dated October 5, 1961 or legalized, the Security Agent may not be able to enforce the relevant Spanish collateral on behalf of all of the secured creditors (including the Bondholders), and there is a risk that the Security Agent would only be able to enforce the security interest against the debt that it individually holds, and not for the full amount owed to creditors for whom it may be acting as Security Agent. Further, those beneficial holders of the security who have not accepted the security or duly empowered (by means of notarial and apostilled powers of attorney) the Security Agent to do so may be treated, from a Spanish law perspective including, without limitation, in an insolvency scenario, as unsecured creditors.

#### *Financial assistance*

Spanish law prohibits financial assistance: (i) for public limited liability companies (*sociedades anónimas*) in relation to the acquisition of their own shares or the shares of any direct or indirect parent company, and (ii) for private limited liability companies (*sociedades de responsabilidad limitada*), in relation to the acquisition of their own shares and the shares of any member of their corporate group. Furthermore, Spanish law Financial assistance limitation also applies to the extent the proceeds are used to repay and/or refinance existing indebtedness that was used for the purposes described above. Accordingly, the guarantee and/or transaction security granted by any Spanish Group Companies will not secure/guarantee the proceeds of the Bonds which have been used to finance the purchase price for the Acquisition and paying its related transaction costs or refinancing acquisition debt. Additionally, there is a risk that a Spanish court will regard proceeds used for acquisition financing and other financing as one, if such proceeds have been commingled and it cannot be determined with reasonable certainty which proceeds have not been used to finance an acquisition.

#### *Capitalization*

Under Spanish law there are some provisions on capitalization that should be taken into account when security interests are enforced. For example, when the enforcement of the security interests causes the amount of the relevant Spanish subsidiary net equity (*patrimonio neto*) to fall below half of its share capital, the Spanish subsidiary will need to be wound up (*disolverse*), unless its share capital is increased or decreased in the required amount to reestablish the

balance between its net equity and its share capital, and provided that it is not required to declare its insolvency.

#### *Hardening periods*

The insolvency receiver (or creditors that have asked the insolvency receiver to do so in the absence of action by the insolvency receiver) may challenge those transactions, acts and payments that are considered detrimental to the insolvent debtor's estate by filing an action for rescission (*acción de reintegración*) even if there was no fraudulent intention, upon (a) insolvency declaration petition for those acts carried out within the two (2) years prior to the date of the insolvency declaration petition and until the declaration; or (b) the notice to the court regarding the initiation of negotiations or the intention to commence them for those acts carried out during the two (2) years prior to such date, the latter as long as (i) a restructuring plan has not been approved and homologated; or (ii) the insolvency declaration takes place within the year after the end of the effects of the notice. Moreover, subject to ordinary Spanish Civil Code based actions, the insolvency administrator or any creditor may bring an action to rescind a contract or agreement provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. The clawback period for this action is four (4) years. The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish civil law for the action to succeed (as opposed to claw back actions where the subjective component or fraud does not have to be proven).

#### *Risks relating to the guarantees and transaction security under Hong Kong law*

To the extent a Hong Kong Group Company has granted a guarantee and/or security in respect of the Bonds (a "**Hong Kong Obligor**"), and that Scan Global Logistics A/S has granted Hong Kong law security over its shares in a Hong Kong Obligor, the following risks apply which, should they occur, each would have an adverse effect on the value and/or the validity of any security and/or guarantees granted (as applicable) and the interests of the Bondholders.

The legality, validity, and enforceability of the obligations of a Hong Kong Obligor under any guarantee and/or security granted by it, and of any Hong Kong law security granted by Scan Global Logistics A/S, are subject to matters affecting companies generally under Hong Kong law, including regarding the corporate benefit of the transaction, and general legal and equitable principles.

The value of any floating charge granted by a Hong Kong Obligor is dependent on the value of the charged assets held by it at the time of the enforcement. A floating charge may purport to create a security interest over all of its present and future assets. To the extent it is valid, it gives the security holder a right to proceeds upon an enforcement up to an amount equal to the secured claim, provided that claims with higher priority have been satisfied.

Prescribed particulars in respect of a security document under which a Hong Kong company purports to create a "specified charge" (as defined in section 334 of the Companies Ordinance

of Hong Kong) should be delivered to the Hong Kong Registrar of Companies within one month after the date of the security document. Failing this (or if the “specified charge” is otherwise not registered against that Hong Kong company), the “specified charge” created by the security document will be void against a liquidator and any creditor of that Hong Kong company which would have an adverse effect on the interest of the Bondholders. Registration may also determine the order of priority of registrable security interests and may provide notice of a pre-existing security interest for the purpose of priorities.

Hong Kong insolvency law may impact the rights of creditors including the Bondholders in certain circumstances. The principal insolvency procedure under Hong Kong insolvency law is liquidation.

There is a risk that security interests and guarantees may be set aside and clawed-back under applicable Hong Kong law in certain circumstances. A liquidator of a company may, among other things, apply to the court to unwind a transaction (including the granting of security or guarantees) entered into by such company, if such company was unable to pay its debts (as defined in section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong) at the time, or as a result, of the transaction and commences its winding up within six months (or two years if the unfair preference is given to a connected person) of the completion of the transaction.

A transaction might be subject to a challenge if it was entered into by a company “at an undervalue” within five years before the commencement of its winding up, that is, if it involved a gift by the company or the company received consideration of significant less value than the consideration provided by such company. However, a court generally will not intervene if a company entered into the transaction in good faith for the purpose of carrying on its business and at the time it did so there were reasonable grounds for believing the transaction would benefit such company.

A floating charge created by a company may be invalid if it was created in the 12 months (or two years if created in favour of a connected person) before the commencement of its winding up. If the transaction is not with a connected person, the company must have been unable to pay its debts at the time, or as a result, of the transaction; if the transaction is with a connected person, there is no such requirement. If these requirements are met, the security will automatically be invalid except to the extent of the aggregate of the value of the consideration for the creation of the charge (which consists of money paid to the company or at the direction of the company or goods or services supplied to the company at the time, or after the creation, of the charge).

There can be no assurance that the granting of any security and/or guarantee by a Hong Kong Obligor in relation to the issuance of the Bonds will not be challenged by a liquidator, or that a court would uphold the transaction as valid. Should such challenge by a liquidator be successful or if a court would not uphold the transaction as valid, it could have an adverse effect on the



interest of the Bondholders as there is a risk that they do not receive an amount sufficient to satisfy all amounts then owed to the Bondholders.

## **Risks related to the financial standing of the Group**

### **Refinancing risk**

*Medium level risk*

There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. Furthermore, the Group's existing working capital facilities with Jyske Bank and Bank of America matures before the Bonds. The Issuer's ability to successfully refinance its debt depends on, among other things, conditions of debt capital markets and its financial condition at such time. Even if debt capital markets are open, there is a risk that the Issuer will not have access to financing on favourable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a significant negative effect on the Group's business, financial position and result of operation and on the Bondholders' recovery under the Bonds.

### **The Issuer is dependent on other members of the Group**

*Medium level risk*

The majority of the Group's assets and revenues relate to entities other than the Issuer. Accordingly, the Issuer is dependent on receipt of sufficient income related to the operation of and the ownership in e.g. its subsidiaries to enable it to make payments under the Bonds. The Issuer's subsidiaries and other members of the Group are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries or other members of the Group to make such payments to the Issuer is subject to, among other things, the availability of funds. Should the Issuer not receive sufficient income from its subsidiaries or other members of the Group, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

The Group or 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 subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full of their claims out of the assets of such company before the Issuer would be entitled to any payments. Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy laws other than those of Denmark could apply. The outcome of

insolvency proceedings in foreign jurisdictions is difficult or impossible to predict and could therefore have a material and adverse effect on the potential recovery in such proceedings.

## 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.

Bonds issued have three month EURIBOR plus 6.75 per cent. as interest rate. EURIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). EURIBOR is provided by the European Money Markets Institute (the "**EMMI**"), who appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

**Issuer** ..... Skill BidCo ApS, business identity code (CVR) 43 63 99 51.

**Aggregate nominal amount of Bonds covered by this Prospectus** ..... At the date of this Prospectus, an aggregate amount of Bonds of (i) EUR 380,236,000 have been issued on the First Issue Date and (ii) EUR 369,764,000, which have been subscribed for and paid for and which will be issued by the Issuer by way of conversion of Temporary Bonds to Bonds within 10 business days following the completion of the Acquisition.

**Maximum total nominal aggregate amount under the Terms and Conditions** ..... The maximum total nominal aggregate amount of the bond loan, including any subsequent bonds, will be an amount of up to EUR 1,150,000,000. The Issuer may choose to issue the remaining amount of Bonds at one or more subsequent dates.

**Number of Bonds** ..... At the date of this Prospectus 380,236 Bonds have been issued on the First Issue Date and 369,764 Bonds, which have been subscribed for, will be Issued on the Second Issue Date. This Prospectus relates to the admission to trading of the 750,000 Bonds issued on the First Issue Date and the Second Issue Date.

A maximum of 400,000 additional Bonds may be issued at one or more subsequent dates under the Terms and Conditions.

**ISIN** ..... NO0012826033.

**First Issue Date** ..... 2 March 2023.

**Second Issue Date** ..... The date on which the EUR 369,764,000 senior secured callable floating rate bonds due 2028, which have been subscribed and paid for, are issued by the Issuer, which

will occur within 10 business days following the completion of the Acquisition on or about 23 May 2023.

<b>Issue Price .....</b>	<p>The Bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 98 per cent. of the Nominal Amount. The Bonds issued on the Second Issue Date will be issued by way of conversion of Temporary Bonds to Bonds, each on a one-for-one basis and pursuant to the Temporary Bonds' respective terms.</p> <p>The issue price of any subsequent bonds may be at a discount or at a premium compared to the Nominal Amount.</p>
<b>Interest Rates.....</b>	Interest on the Bonds will be paid at a floating rate of the Base Rate (three month EURIBOR) plus the Floating Rate Margin of 6.75 per cent. <i>per annum</i> .
<b>Interest Payment Dates.....</b>	2 March, 2 June, 2 September, and 2 December each year (the first Interest Payment Date shall be 2 June 2023). Interest will accrue from (but excluding) the Issue Date. Interest will be paid on each Interest Payment Date.
<b>First Interest Payment Date for the Bonds Issued on the Second Issue Date</b>	2 June 2023.
<b>Use of benchmark.....</b>	Interest payable on the Bonds will be calculated by reference to three month EURIBOR in accordance with the Terms and Conditions. EURIBOR is provided by the European Money Markets Institute (the "EMMI"), who appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.
<b>Nominal Amount .....</b>	The nominal amount of each Bond is EUR 1,000 and the minimum permissible investment in a Bond Issue is EUR 100,000.
<b>Status of the Bonds.....</b>	<p>The Bonds are denominated in EUR 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, unconditional, unsubordinated and secured obligations of the Issuer, and shall at all times rank (i) without any preference among them and (ii) at least pari passu with all direct, unconditional, unsubordinated and unsecured</p>

obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) any super senior ranking of the Super Senior Debt (as defined in the SGL International Intercreditor Agreement) and the Revolving Loan Debt (as defined in the US HoldCo Intercreditor Agreement) or any other Working Capital Facility in accordance with the Intercreditor Agreements (for more information please see Clause 2 (*Status of the Bond*) in the Terms and Conditions).

**Sponsor Commitment .....** The Sponsors have provided equity commitment letters to the Issuer pursuant to which the Sponsors undertake to make funds available to the Issuer in an aggregate amount not less than the amount required by the Issuer to make any payment of accrued but unpaid interest under the Bonds and any shortfall in the repayment of the nominal amount of the Bonds (in each case, excluding any Bonds held by the Issuer) in connection with a redemption of the Bonds as set out in Clause 4.1 (e) in the Terms and Conditions.

**Security .....** The Bonds are currently secured by security interests granted on an equal and ratable first-priority basis over the Proceeds Account into which the net proceeds from the Bond Issue have been transferred.

See the definition of "**Proceeds Account Pledge Agreement**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

**Call Option .....** The Issuer has the right to redeem the outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary Total Redemption*) of the Terms and Conditions.

**Call Option Amount .....** Call Option Amount means:

- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.375 per cent. of the Nominal Amount plus the remaining interest payments to, but excluding, the First Call Date, together with accrued but unpaid Interest;
- (ii) any time from and including the First Call Date, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.375 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (iii) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (iv) any time from and including the first CSD Business Day falling 36 months after the First Issue Date to, but excluding, the first CSD Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 102.025 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (v) any time from and including the first CSD Business Day falling 42 months after the First Issue Date to, but excluding, the first CSD Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.35 per cent. of the Nominal Amount, together with accrued but unpaid Interest

**First Call Date** ..... 2 March 2025.

**Final Maturity Date**..... 2 March 2028.

**Equity Claw Back** ..... The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 35.00 per cent. of the total Nominal Amount in accordance with Clause 9.5 (*Voluntary Partial Redemption upon an Equity Listing Event*) of the Terms and Conditions.

**Change of Control Event** ... means the occurrence of an event or series of events whereby one or more persons, not being a Sponsor (or an Affiliate thereof), acting together, acquire control over the Issuer and where "**control**" means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent of the shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**Certain Covenants** ..... The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and its subsidiaries, including, *inter alia*:

- restrictions on making any changes to the nature of their business;

- a negative pledge, restricting the granting of security to secure any loan or other indebtedness, provided however that the Issuer and its subsidiaries from time to time have a right to (i) provide, prolong and renew any Permitted Security, (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired by a Group Company, and (iii) provide security over the Existing Bonds as security for the Temporary Bonds;
- restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
- limitations on the making of distributions and disposal of assets.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt.

Each of these covenants is subject to significant exceptions and qualifications, see Clause 12 (*Financial Undertakings*) of the Terms and Conditions.

**Use of Proceeds**..... The Net Proceeds from the Initial Bond Issue shall be used to (i) finance the purchase price for the Acquisition, (ii) refinance any Existing Bonds which are not subject to an Exchange (iii) pay Transaction Costs, and (iv) finance general corporate purposes of the Issuer and the SGL Group (assuming the completion of the Acquisition), including refinancing of existing Financial Indebtedness, investments and acquisitions.

The proceeds from any Subsequent Bond Issue, shall be used to finance Transaction Costs and general corporate purposes (including investments and acquisitions).

**Transfer Restrictions**..... 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

**Listing** ..... Applications will be made to list all 750,000 Bonds on the corporate bond list of Nasdaq Stockholm. The admission to trading of the EUR 380,236,000 Bonds issued on the First Issue Date on Nasdaq Stockholm is contemplated to

occur prior to the completion of the Acquisition. The admission to trading of the EUR 369,764,000 Bonds, to be issued on the Second Issue Date, on Nasdaq Stockholm is contemplated to occur after the completion of the Acquisition. The earliest date for admitting any Bonds to trading on Nasdaq Stockholm is on or about 22 May 2023.

<b>Agent</b> .....	Nordic Trustee & Agency AB (publ), reg. no. 556882-1879.
<b>Security Agent</b> .....	Intertrust (Sweden) AB reg. no. 556625-5476.
<b>Paying Agent</b> .....	NT Services AS, reg. no. 916 482 574.
<b>Governing Law of the Bonds</b> .....	Swedish law.
<b>Risk Factors</b> .....	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain future risk factors that they should carefully consider before deciding to invest in the Bonds.



## **STATEMENT OF RESPONSIBILITY**

The issuance of the EUR 750,000,000 Bonds was authorised by resolutions taken by the executive board of the Issuer on 5 February 2023. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being 20 May 2024, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

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

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

### **Share Purchase Agreement**

The shareholders of the parent company of the Targets and its affiliates and the Issuer entered into a share purchase agreement (the "**SPA**") dated 6 February 2023 for the purpose of divesting the SGL Group to the Issuer. The completion of the Acquisition is subject to the conditions precedent of the SPA to be fulfilled, in particular the SPA includes a provision where the completion of the Acquisition is subject to the Issuer receiving the financing for the Acquisition and competition clearances from relevant authorities. Upon satisfaction of the relevant conditions precedent, the Issuer will become the sole owner of the SGL Group.

### ***Group structure following completion of the Acquisition***

Following the completion of the Acquisition of the SGL Group, Skill BidCo ApS will continue to be 100 per cent. owned by Skill MidCo ApS who in turn will continue to be owned 100 per cent. by Skill TopCo ApS. Skill TopCo ApS will be owned with approximately 76 per cent. by funds managed by CVC Capital Partners (the "**CVC-Funds**") (indirectly through Skill Luxembourg Holdings S.à r.l. a private limited liability company (société à responsabilité limitée) organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 20, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B274641), approximately 20 per cent. by AEA and approximately 4 per cent. by management. CVC Capital Partners VIII Limited is the general partner of the CVC-Funds.

Following completion of the Acquisition, the Issuer will have, directly and indirectly, 94 wholly-owned subsidiaries and 19 partially owned subsidiaries. These subsidiaries are located in, among other, Denmark, Sweden, Germany, Austria, Belgium, Netherlands, Spain, Norway, Finland, Poland, Czech Republic, Japan, China, Hong Kong, Taiwan, Thailand, Malaysia, Myanmar, Mexico, Canada, Australia, Philippines, Chile, Peru, Vietnam, Indonesia, Singapore, Mali, Senegal, Ivory Coast, Cambodia, US, United Kingdom and South Africa.

Operations will be conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

### ***History and development of the SGL Group***

The establishment of SGL started when Scan Global Logistics Holding ApS was founded in 2007 after the merger of the two Danish freight forwarding companies ScanAm and Mahé. The SGL Group was formed in 2016 through the merger of Scan Global Logistics, a Nordic-based freight forwarder, and TransGroup, a US-based freight forwarder. Prior to the merger, the two companies had enjoyed a close strategic partnership for over 15 years and acted as each other's reciprocal agent in their respective markets. The SGL Group focuses on complex logistics assignments which often require multimodal solutions.

The SGL Group is headquartered in Copenhagen, Denmark, and has over 3,300 employees spread across more than 100 offices worldwide. The current shareholders of SGL have as of 6 February 2023 entered into a share purchase agreement for the purpose of divesting the SGL Group to funds controlled by CVC Capital Partners, where the latter will become the new majority shareholder of the SGL Group, holding 75 per cent. of the share capital after the Acquisition. The remainder is to be held by the SGL Groups existing shareholders, AEA Investors and Financial Co-investors (20 per cent), as well as the SGL Group's founders and management team (5 per cent), who will remain actively involved in the SGL Group following the Acquisition.

### ***Business and operations of SGL***

The SGL Group is an asset-light freight forwarder and logistics provider with a global footprint, and a strong presence in North America and Europe. The SGL Group focuses on complex logistics assignments which often require multimodal solutions and has over the past 40 years established itself as a leading logistics provider to international aid and humanitarian organisations such as the United Nations. Moreover, building on its extensive experience of managing complex assignments, the SGL Group holds world-leading positions in certain industry verticals such as Aid & Relief, Government & Defence, Pharma & Healthcare, Automotive Special Logistics and Food Ingredients & Additives. Customers are served through more than 100 offices located in over 45 countries across six continents, supported by third-party agents where appropriate.

### ***Brands and concepts of SGL***

Freight forwarding is a service industry specialised in the movement of goods around the world on behalf of exporters and importers (i.e., shippers). Freight forwarding in its purest form is an asset-light business where forwarders organise transportation for their customers by purchasing capacity from capacity providers (sea carriers, airlines, trucking companies, etc.). The actual physical transportation is performed by the capacity provider, who also owns the assets used in the transportation, with the freight forwarder taking a fee in exchange for organising the shipment.

The SGL Group is considered a global network operator as its core business is the procurement of intercontinental air and ocean as well as overland local and regional transportation. The SGL Group offers customers a wide range of transportation and logistics supply chain solutions with a complete coverage on air, sea and overland transportation which is conducted through the Group's global network of capacity providers and partners. The Group's main service offerings are set out in greater detail below.

### ***Air & Ocean Freights freight services***

The Air & Ocean segment is SGL's largest, accounting for approximately 85 per cent of total revenue and the SGL Group serves approximately 7,500 customers within ocean freight annually, moving approximately 400,000 TEU of cargo. Services include FCL, LCL, port-to-port and door-to-door, customs clearance, temperature-controlled containers, and the transportation of restricted and hazardous goods. Over the years, the SGL Group has expanded its ocean freight offering to adjacent services including FCL trucking, LCL trucking, warehouse & ground handling, ESG insurance as well as cargo insurance. Due to its growing scale, SGL is increasingly becoming a key account with global carriers and has established relationships with

more than 330 carriers worldwide. Moreover, the SGL Group is able to serve customers with different risk preferences where approximately 60 per cent of the contracts are on FAK terms, structured with medium-to-short tenures and a higher degree of customer exposure to freight rates, whereas the remaining 40 per cent are Named Account Contracts offered to major customers with longer validity and limited customer exposure to rates. In general, the Company does not participate in the more commoditised large-scale sea tenders as these operations will typically be unprofitable.

Through its extensive experience of operating within the ocean freight industry, the SGL Group has developed a deep understanding of the global market and is specialised in serving customers with complex transportation requirements. The Company offers flexible transit and departure times and multiple options and space allocations with carefully selected carriers. Within its network the Company can provide weekly consolidation by operating 65 trade lanes worldwide, ensuring full coverage of all global trade lanes.

The SGL Group is a highly trusted organiser of air freight services and has built a leading position within complex logistics solutions in all relevant trade lanes. The Company serves more than 7,500 customers within air freight annually, operating 65 global trade lanes and moves in excess of 170,000 tonnes of cargo each year.

Air transportation has historically been characterised by higher costs compared to ocean freight, meaning that SGL's air freight customers are typically transporting high-value and/or time sensitive products which benefit from the Company's solution-oriented offering, including air charter to meet time sensitive schedules even in the most remote areas of the world. To meet its customers increasingly sophisticated needs, the Company offers a wide range of services, including airport-to-airport, door-to-door, full and part charter, on-board courier customs clearance, insurance, IATA/TSA compliance, ESG solutions as well as consolidation/deconsolidation.

The Company has global agreements with all major airlines with whom it works in close partnerships to ensure that customers receive high quality services and flexible solutions. SGL benefits from its longstanding relationships with partner carriers, driving capacity availability and favourable pricing and procurement terms, with customer contracts mainly consisting of ad-hoc priced contracts (60–70 per cent) and secondly fixed priced contracts (30–40 per cent). Through its network of carriers, the Company can provide an aircraft to suit every customer's requirements; from the smallest aircraft to the giant Antonov 225 freighter. An example of specialised air services is the automotive industry, where the Company transports prototype and testing vehicles to fairs, events and roadshows, often under the strictest secrecy and with the help of bespoke equipment developed in close cooperation with customers.

### *Road Freight services*

The SGL Group's offering within road freight encompasses primarily domestic trucking transportation in North America, road freight between Denmark and the rest of the Nordics, and road freight between Sweden and continental Europe. Solutions include all road transportation needs from FTL and LTL to last mile deliveries in Western Europe, the US as well as across the Mexican and Canadian borders. Last mile solutions in Europe are carried out through strategic partnerships, in particular with the European groupage network SIM Cargo, which have extensive capabilities of moving freight to its final destinations.

In line with its asset-light strategy, SGL only operates a limited number of own trucks, which ensures high flexibility whilst minimising capex requirements and utilisation risk. The Company's focus is rather on covering an extensive network of transportation providers, including independent truck contractors capable of offering affordable, flexible options for a broad set of customer needs.

The road freight segment serves approximately 4,100 customers across North America and Europe. To support its operations, the Company operates hubs in strategic locations in Europe, strategically located in Denmark (Aarhus and Taastrup) and Sweden (Västervik, Norrköping and Gothenburg). These hubs are situated along main transportations routes and are used as consolidation points before the goods are redistributed to their final destination, whilst also constituting an efficient gateway to adjacent markets.

The Company has replicated its proven European strategy of operating hubs in strategic locations in North America as it has continuously expanded its footprint and is now operating warehouses and hubs in major cities including Seattle, Los Angeles, Houston, Dallas, Boston, and Toronto.

As part of its strategic agenda, SGL has identified multiple initiatives providing further upsides going forward, ultimately aiming to leverage its significant cross-selling opportunities within Air & Ocean to win new customers and complement the product portfolio. Key focus areas within these initiatives are primarily to streamline operations in the four European countries in which the Company currently offers road freight services (Sweden, Denmark, Norway and Germany) in order to improve efficiency, e.g., reduce cost per km, and to increase geographical coverage

### *Warehousing*

The SGL Group maintains a warehousing operation in Denmark, in certain strategic locations in North America, as well as in parts of Asia Pacific. The provision of warehousing services enables the Company to offer its customers a seamless supply chain with built-in flexibility for volume fluctuations and seasonality. With a few exceptions in Denmark, all warehouses are leased, typically on back-to-back agreements with customers limiting the Company's exposure. Warehousing services are not a key focus area for the Company but rather provided as a value-add to certain existing or new customers who request a full-service door-to-door solution. Warehousing services are therefore rarely provided as a standalone service without the associated freight business. The services most commonly provided are "pick and pack", inventory reporting, sort and segmentation pool distributions, bonded warehouse, labelling and bar coding, and quality control. Warehouse capacity is located primarily in North America and in Denmark.

### ***Business model and market overview***

The SGL Group is a Nordic based full-service global logistics provider, specialised on organising complex logistics solutions, with 45 years of experience in the global transportation industry. The SGL Group offers customers a wide range of transportation and logistics supply chain solutions with a complete coverage with air, sea and overland transportation. This is conducted through the SGL Group's global network of capacity providers and partners, which enables the Group to deliver logistics solutions across the world.

Customers are served through more than 100 offices located in over 45 countries across six continents, supported by third-party agents where appropriate. The SGL Group's global reach and extensive network of transportation carriers is essential when tendering for logistics contract for multinational corporations. At the same time, the strategic position of the Group's offices allows the Group to quickly and cost efficiently capitalise on new market opportunities due to its globally integrated IT infrastructure.

With an asset-light business model the Company owns virtually no own capacity and almost without exception, all physical transportation is performed by external haulers, shipping companies and airlines. This results in a highly flexible cost structure, limited capital expenditure and attractive underlying cash conversion.

The key customers are international aid and humanitarian agencies such as UN plus large Scandinavian based companies with significant international exposure and presence. The Group's network of own offices has over time been developed on the back of such business relations. Outside of Scandinavia and Finland the key presence is in North America, through TransGroup, and China, which the group plans to further expand and as well as in several other Asian economies. There is significant potential to increase the SGL Group's presence in these markets and the plan is to carry out such an expansion over time.

### **Account Pledge Agreement**

The proceeds of the Initial Bond Issue have been deposited to an account owned by the Issuer and managed by NT Services AS (the "**Escrow Account**"). The Escrow Account is pledged as a first priority pledge in favour of the bondholders represented by the Security Agent pursuant to an account pledge agreement dated 2 March 2023 and made between, the Issuer and NT Services AS as pledgors, NT Services AS as account manager and Nordic Trustee & Agency AB (publ) as pledgee (the "**Account Pledge Agreement**"). The security assets subject to the Account Pledge Agreement consists of:

- (i) with respect to the Issuer, all of its present and future monetary claims against NT Services AS arising out of or in respect of the Account represented by any amount standing to the credit of the Account and any amount accrued in respect thereof; and
- (ii) with respect to the Account Manager, all of its present and future monetary claims against the account bank (DNB Bank ASA) arising under or in respect of the Escrow Account, including any amount standing to the credit of the Account and any amount accrued in respect thereof.

Pursuant to the Terms and Conditions, the Issuer is not permitted to make any withdrawals of the account without the written consent of the Agent except as in accordance with clause 4.2(h) of the Terms and Conditions. A withdrawal of the funds and the discharge of the Account Pledge Agreement is contemplated to occur upon the closing of the Acquisition and when the Agent has confirmed that the conditions precedent set out in clause 4.1(b), including, *inter alia*, certain security and guarantees granted by (i) the Issuer, (ii) the shareholder of the Issuer and (iii) the Target Group and their direct and indirect subsidiaries, in the Terms and Conditions will be satisfied on or the date of the disbursement of the funds held on the Escrow Account.

## Sponsor Commitment

Funds managed by CVC Capital Partners (the "**CVC Funds**") have provided an equity commitment to the Issuer pursuant to which undertake to make funds available to the Issuer in an aggregate amount of EUR 35,000,000 to make payment of any shortfall should the bonds be redeemed in accordance with Clause 4.1(e) in the Terms and Conditions (the "**Commitment**"). Such redemption of the Bonds would be triggered by the Acquisition being aborted and/or not occur before 31 December 2023. The payment should be made to the Issuer and does not constitute an obligation to any third-parties (including the Bondholders). The fund shall be transferred by way of an equity injection and be made to the Proceeds Account in the currency and amount required for the Company to meet its payment obligations with respect to its obligations in accordance with the Terms and Conditions, subject to the maximum amount of EUR 35,000,000. If the amount of EUR 35,000,000 is deemed insufficient to cover the Issuer's payment obligations under the Terms and Conditions, the Issuer shall procure that the CVC Funds and AEA provide a supplement equity commitment letter in an amount at least equal to the amount required by the Issuer to meet its payment obligations under the Terms and Conditions.

## Terms and Conditions of Temporary Bonds

The Issuer has issued EUR 18,815,000 bonds with ISIN NO0012847682, EUR 144,423,000 bonds with ISIN NO0012847831 and EUR 206,526,000 bonds with ISIN NO0012826041 (together the "**Temporary Bonds**" and each a "**Temporary Bond**") under three (3) separate terms and conditions for each Temporary Bond (each a "**Temporary Bond Terms and Conditions**"). The agent for each bondholder under the Temporary Bonds is Nordic Trustee & Agency AB (publ), reg. no. 556882-1879. All Temporary Bonds were issued in exchange for receipt by the Issuer of Existing Bonds (as defined in each Temporary Bond Terms and Conditions) issued by SGL International A/S (each on a one-for-one basis and transfer of rights to accrued but unpaid interest and premium under the Existing Bonds). Not all Existing Bonds were subject to the exchange and a number of Existing Bonds are still held by holders other than the Issuer.

If the date of completion of the Acquisition has occurred prior to the Long Stop Date (as defined in the Terms and Conditions), each Temporary Bond will be redeemed by way of conversion to the Bonds to be issued on the Second Issue Date (the "**Conversion**") in accordance with the applicable Temporary Bond Terms and Conditions. The Conversion shall be completed within 10 Business Days of the completion of the Acquisition and be subject to the applicable regulations of the CSD. The Issuer will receive interest income from the Existing Bonds received by it as part of the exchange of Existing Bonds for Temporary Bonds.

## DESCRIPTION OF THE ISSUER

### History and development of the Issuer

The Issuer's legal and commercial name is Skill BidCo ApS and is a Danish private limited liability company operating under the laws of Denmark, including but not limited to the Danish Companies Act (Consolidated Act No. 763 of 23 July 2019 on Public and Private Limited Companies, as amended) (in Danish: *selskabsloven*), and registered with the Danish Business Authority under CVR No. 43 63 99 51. The Issuer's legal entity identifier (LEI) is 636700YQKGLXCPPUYE74. The certificate of registration of the and the articles of association of the issuer is available on its webpage (<https://scangl.com/skillbidco>).

The Issuer was incorporated on 11 November 2022 and has its registered office at c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark and its headquarters at c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark and telephone number +45 39 45 28 00. The webpage of the Issuer is: <https://scangl.com/skillbidco>. The information on the webpage does not form part of the Prospectus unless that information is incorporate by reference into the Prospectus.

The Issuer, is a special purpose vehicle and was founded on 11 November 2022 by CVC Capital Partners VIII Limited, business registration number 129485, with address 27 Esplanade, St. Helier, Jersey JE1 1SG, Channel Islands. The Issuer is backed by funds managed by CVC Capital Partners, a global alternative investment manager with a global network of 25 local offices worldwide and more than 40 years of experience, making it the most geographically and long-established pan-regional office network of any PE firm in Europe. CVC Capital Partners invests in business operating in stable, non-cyclical markets with defensible market positions, stable cash flows and competitive leadership. Further, CVC Capital Partners has six complementary strategies across private equity, secondaries and credit, managing a total of EUR 133 billion of assets. The private equity platform has to date invested in more than 120 companies worldwide and manages EUR 89 billion of assets across four strategies: Europe/Americas, Asia, Strategic Opportunities and Growth.

In accordance with clause 2.1 of the the articles of association of the Issuer, adopted on 15 February 2023, the object of the Issuer is to operate as a holding company by purchasing, holding and selling shares in other companies, providing loans and financing and other related activities.

### Business and operations of the Issuer

The Issuer is a newly established holding company with no operational or financial history. The Issuer was established to facilitate the acquisition of the SGL Group and to be inserted into the group structure of the Targets to act as the issuing entity of the Bonds and will be inserted into the group structure of the Targets and act as the issuing entity of the Bonds. In immediate connection to release of the net proceeds from the Bond Issue from the Proceeds Accounts, the Issuer will constitute the consolidating parent of the SGL Group.



## Business model and market overview

The Issuer is a holding company with the objective of purchasing, holding and selling shares in other companies, providing loans and financing and to operate consulting and other related activities.

## Share capital and ownership structure of the Issuer

The shares of the Issuer are denominated in DKK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of DKK 40,000 divided into 40,00 shares.

As of the date of this Prospectus the Issuer is 100 per cent. owned by Skill MidCo ApS, reg. no. (CVR) 43 93 69 56, who in turn is owned 100 per cent. by Skill TopCo ApS, reg.no. (CVR) 73 93 45 70, who in turn is owned approximately 95.22 per cent. by CVC Capital Partners VII (A) L.P., reg. no. (business registration number) 3022, 1.68 per cent. by CVC Capital Partners Investment Europe VIII L.P., reg. no. (business registration number) 3022 and approximately 3.09 per cent. by CVC Capital Partners VIII Associates L.P. reg. no. (business registration number) (the "**Funds**") and the Funds are in turn managed by CVC Capital Partners VIII Limited, reg. no. 129485, a private limited company operating under the laws of Jersey, as the sole general manager.

Control exercised by the shareholders of the Issuer is subject to restrictions under Danish corporate law, including restrictions that follow from the Danish Companies Act (Consolidated Act No. 763 of 23 July 2019 on Public and Private Limited Companies, as amended) (in Danish: *selskabsloven*). The Issuer has no beneficial owners and the management is therefore recognised as the beneficial owners. There are no other measures in place to ensure that such control is not abused.

## Shareholders' agreements

The Issuer 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 Issuer.

## Overview of Group structure

As of the date of this Prospectus, the Issuer has one subsidiary, Skill US BidCo Inc., a Delaware corporation with business registration number 74 23 620.

## Borrowing and funding structure

The Issuer (i) issued EUR 380,236,000 senior secured callable floating rate bonds due 2028 on 2 March 2023, of which the net proceed are currently held on the Escrow Account in accordance with the Account Pledge Agreement, and (ii) EUR 369,764,000 senior secured callable floating rate bonds due 2028, which have been subscribed and paid for, will be issued by the Issuer within 10 business days following the completion of the Acquisition. The Temporary Bonds issued by the Issuer on 2 March 2023 will be redeemed in full by way of the Conversion to the Bonds issued on the Second Bond Issue. Following the Second Bond Issue, the Issuer will have outstanding bonds in a total aggregate amount of EUR 750,000,000.

## **Future funding of the Issuer's operations**

The Issuer is mainly financed through equity and bond debt and the Issuer intends to finance its future operations through equity, bond debt and bank debt.

## **Recent events**

There has been no recent event particular to the Issuer which is to a material extent relevant to the evaluation of the Issuer's solvency.

## **Significant change and trend information**

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited annual accounts. Since the end of the last financial period for which audited financial information has been published, there have been material changes in the Issuer's borrowing and funding structure, for instance, the Issuer have issued the EUR 380,236,000 and the Temporary Bonds which was exchanged for the Existing Bonds issued by the SGL International A/S. The Temporary Bonds are contemplated to be converted to Bonds issued on the Second Issue Date on a one-for-one basis within 10 business days of the completion of the Acquisition.

The Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its prospects for the current financial period.

## **Legal and arbitration proceedings**

At the date of this Prospectus, the Issuer is not, and has not since the Issuer was founded been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Issuer's financial position or profitability. The Issuer is not aware of any such proceedings which are pending or threatening and which could lead to the Issuer becoming a party to such proceedings.

## **Information regarding taxation**

Tax legislation in the investor's home member state and the member state of the Issuer may affect any income from the Bonds.

## **Credit rating**

The Initial Bond Issue received preliminary credit ratings (Corporate Family Rating/bond rating) from S&P Global Ratings (B/B) and Fitch Ratings (B/B+), with stable outlook.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Standard & Poor are established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating->

agencies/risk) a list of credit rating agencies registered in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Fitch Ratings is an American credit rating agency designated by the U.S Securities and Exchange Commission in 1975.

## MANAGEMENT OF THE ISSUER

The Issuer's management consist of an executive board. On the date of this Prospectus the executive management consisted of 2 members which have been elected by the general meeting. Further information on the members of the executive management are set out below.

### Executive Management

***Philip Bendorff Røpcke, executive manager since 11 November 2022.***

**Education:** Master's degree in Econometrics and Finance from the University of Aarhus.

**Current commitments:** *Executive manager of the Issuer and Director at CVC.*

***Christoffer Helsingreen Sjøqvist, executive manager since 11 November 2022.***

**Education:** Graduate of the London School of Economics.

**Current commitments:** *Executive manager of the Issuer and Partner at CVC.*

### Conflicts of interest within, management and control bodies

To the extent that can be reasonably verified by the Issuer, no conflict of interest exists regarding the private affairs, family relations, or any other kind, between members of the executive management that might conflict with the Issuer's interests or prevent the aforementioned to faithfully execute their duties to the Issuer.

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

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

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

The Issuer's financial year runs from 1 January to 31 December. The Issuer's first fiscal financial period runs from 11 November 2022 to 31 December 2022. The audited financial statement for the financial period ended 31 December 2022 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's webpage (<https://scangl.com/skillbidco>).

The Issuer's financial statements for the financial period ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU. Furthermore, the Issuer also applies the additional requirements of the Danish Financial Statements Act.

Other than the auditing of the Issuer's financial statements for the financial period ended 31 December 2022, the Issuer's auditor has not audited or reviewed any part of this Prospectus.

The Issuer's financial statements for the financial period ended 31 December 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 10;
- balance sheet, page 11-12;
- cash flow statement, page 13;
- statement of changes in equity, page 14;
- notes, pages 15-16; and
- the audit report, pages 2-5.

### Auditing of the annual historical financial information

The Issuer's audited financial statement as at present and for the first fiscal year from 11 November 2022 to 31 December 2022 have been audited, as applicable, by EY Godkendt Revisionspartnerselskab ("**Ernst & Young**"), Dirch Passers Alle 36, Postboks 250, Copenhagen 2000 Frederiksberg, Denmark. Ernst & Young has been the Issuer's auditor since 2022. Søren Skov Larsen and Henrik Pedersen are the auditors who are responsible for the Issuer. They are State Authorized Public Accountants in Denmark and both members of the professional body FSR - Danske Revisorer, the professional institute for the accountancy sector in Denmark.

The auditing of the financial statements was conducted in accordance with international standards on auditing and the auditors provided an unqualified opinion.

### Age of the most recent financial information

The most recent financial information has been taken from the audited financial statements for the financial period ended 31 December 2022.

## OTHER INFORMATION

### Approval of the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the Bonds that are subject of this Prospectus nor of the Issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 380,236,000 and Bonds in an amount of EUR 369,764,000 which have been subscribed for, will be issued by the Issuer by way of conversion of the Temporary Bonds within 10 business days following the completion of the Acquisition (the "**Second Issue Date**"). This Prospectus contains no offer to subscribe to Bonds and only relates to the admission to trading of the Bonds in an aggregate amount of EUR 750,000,000 issued on the First Issue Date and the Second Issue Date. The Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of EUR 1,150,000,000. Each Bond has a nominal amount of EUR 1,000 and the minimum permissible investment is EUR 100,000. The ISIN for the Bonds is NO0012826033.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and is available in electronic form on (i) the website: [www.stamdata.com](http://www.stamdata.com), and (ii) on the Issuer's webpage (<https://scangl.com/skillbidco>).

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's webpage ([www.scangl.com](http://www.scangl.com)).

### Documents available for inspection

The following documents are available at the Issuer's headquarters at c/o Accura Advokatpartnerselskab, Alexandriagade 8, 2150, Nordhaven, Denmark, on weekdays during the

Issuer's regular office hours throughout the period of validity of this Prospectus and on the Issuer's webpage (<https://scangl.com/skillbidco>):

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- this Prospectus;
- the Terms and Conditions;
- the Temporary Bonds Terms and Conditions;
- the terms and conditions of each Existing Bond

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 300,000.

### **Material contracts**

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Issuer has not entered into any material contracts not in the ordinary course of its business and which may affect the Issuer's ability to fulfil its obligations under the Bonds.

## **TERMS AND CONDITIONS OF THE BONDS**

### **Terms and Conditions**

**Skill BidCo ApS**

**EUR 750,000,000**

**Senior Secured Callable Floating Rate Bonds**

**ISIN: NO0012826033**

**1 March 2023**

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



## PRIVACY NOTICE

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

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

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

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

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

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

The Issuer's, the Security Agent's, the Agent's and the Paying Agent's, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites.

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## 1. Definitions and Construction

### 1.1 Definitions

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

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the relevant securities registration legislation and through which a Bondholder has opened a Securities Account in respect of its Bonds.

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

"**Acquisition**" means the direct and indirect acquisition of the Targets by the Issuer.

"**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 (and, for the avoidance of doubt, neither CVC Credit Partners Group Holding Foundation, CVC Credit Partners Investment Management Limited or any of their Affiliates or Subsidiaries from time to time and/or investment funds or vehicles advised or managed by any of the foregoing (save for any Sponsor) shall be considered an Affiliate of a Group Company).

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

"**AEA**" means AEA Investors SBF III Partners LP or other funds managed by AEA Investors SBF LP.

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

"**Agency Agreement**" means the agency agreement entered into on or prior to the First Issue Date in connection with these Terms and Conditions, 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), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Base Rate"** means EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 21 (*Replacement of Base Rate*).

**"Base Rate Administrator"** means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

**"Bond"** means (a) the debt instrument issued by the Issuer pursuant to these Terms and Conditions, including any Subsequent Bonds, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

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

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

**"Bond Issue"** means the Initial Bond Issue and any Subsequent Bond Issue.

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

**"Call Option Amount"** mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

**"Cash and Cash Equivalents"** means cash and cash equivalents of the Group (in accordance with the Accounting Principles).

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons, not being a Sponsor (or an Affiliate thereof), acting together, acquire control over the Issuer and where **"control"** means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent of the shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"Closing Date"** means the date of completion of the Acquisition.

**"Compliance Certificate"** means a certificate to the Agent, in the agreed form between the Agent and the Issuer, signed by the CFO, the CEO or an authorised signatory of the Issuer, certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;

- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial test and the basis on which it has been calculated);
- (c) if the Compliance Certificate is provided in connection with a Distribution Test, that the Distribution Test is met (including figures in respect of the relevant financial test and the basis on which it has been calculated);
- (d) if the Compliance Certificate is provided in connection with the audited annual financial statements of the Group being made available, the Material Group Companies; and
- (e) if the Compliance Certificate is provided in connection with an acquisition to be made and where the Incurrence Test is to be tested in accordance with paragraph (c) of Clause 12.3 (*Testing of the Incurrence Test and the Distribution Test*) that such Incurrence Test is met (including figures in respect of the relevant financial test and the basis on which it has been calculated).

**"Cost Adjustments"** means the *pro forma* adjustment of EBITDA to take into account net cost savings and other reasonable cost synergies realisable by the Group during the Reference Period as a result of acquisitions and/or disposals of entities during the relevant Reference Period, provided that such Cost Adjustments (a) have been confirmed by a reputable accounting firm and the Issuer has provided evidence thereof to the Agent, and (b) are specified in the relevant Compliance Certificate.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Verdipapirsentralen ASA, Norwegian Reg. No. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.

**"CSD Business Day"** means a day on which the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.

**"CVC Funds"** means funds and/or vehicles managed or advised by CVC Advisers Company (Luxembourg) S.à r.l. and/or its affiliates from time to time or CVC Capital Partners SICAV FIS-SA and/or its affiliates.

**"EBITDA"** means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business and other non-recurring items, provided that such items together with any Cost Adjustments are not in excess of an amount equal to 15 per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs;

- (e) before deducting any accrued interest owing to any member of the Group and any deemed finance charge in respect of any pension liabilities and other provisions;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset or liabilities;
- (h) after adding back (to the extent not already included) the proceeds of any business interruption insurance (or equivalent insurance) to the extent taken into account in determining the profits of the Group;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (j) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (k) after deducting any costs for any finance leases which are not accounted for as Financial Indebtedness pursuant to paragraph (o) of the definition "Financial Indebtedness";
- (l) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group; and
- (m) before taking into account any non-cash expenses resulting from any employee benefit or management compensation plan or the grant of stock appreciation or similar rights, stock options, restricted stock or other rights or equity incentive programs to employees of any member of the Group pursuant to a written plan or agreement or the treatment of such options under variable plan accounting or any non-cash purchase accounting adjustment.

**"Equity Contribution"** means the aggregate amount of shareholders' contributions, equity investments (including, however not limited to, reinvesting vendors) and/or loans subordinated to the Bonds under the terms of the Intercreditor Agreements or in the form of a Subordinated Loan, provided by any Person to the Issuer prior to or in connection with the Closing Date.

**"Equity Claw Back"** means a voluntary partial prepayment in accordance with paragraph (a) of Clause 9.4 (*Voluntary partial redemption*).

**"Equity Listing Event"** means an initial public offering of shares in the Issuer, after which such shares shall be admitted to trading on a Regulated Market.

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

"EURIBOR" means:

- (a) the applicable percentage rate *per annum* displayed on Refinitiv screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Paying Agent by linear interpolation between the two closest rates for EURIBOR fixing, as displayed on page EURIBOR01 of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Euro; or
- (c) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Paying Agent at its request quoted by banks reasonably selected by the Paying Agent, for deposits of EUR 10,000,000 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 if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Paying Agent best reflects the interest rate for deposits in Euro offered for the relevant period,

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

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

"Exchange" means any exchange of Existing Bonds for Bonds.

"Existing Bonds" means each of:

- (a) the up to EUR 315,000,000 senior secured bond loan with ISIN SE0013101219 issued by SGL International A/S on 4 November 2019;
- (b) the up to EUR 350,000,000 senior secured bonds with ISIN SE0015810759 issued by SGL International A/S on 8 April 2021 (which together with the bonds referred to in paragraph (a) above, are jointly referred to as the "**Existing Senior Bonds**"); and
- (c) the EUR 40,000,000 subordinated unsecured PIK bonds with ISIN NO0012441007 issued by SGL International A/S on 6 September 2021.

"Existing Bonds Call Option Event" means the event that the one or more Existing Bonds, pursuant to a voluntary call option exercised by SGL International A/S in

accordance with the applicable terms and conditions of the Existing Bonds, is to be redeemed in full on or in connection with the Closing Date.

**"Excluded Jurisdiction"** means any jurisdiction in Africa or Asia in which the Group has no subsidiary as of the First Issue Date.

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

**"Finance Charges"** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, upfront fees or costs included as part of effective interest rate adjustments, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any member of the Group, or any Subordinated Loan and taking no account of any unrealised gains or losses on any derivative instruments.

**"Finance Documents"** means:

- (d) these Terms and Conditions;
- (e) the Proceeds Account Pledge Agreement;
- (f) the Sponsor Commitment and any document evidencing a Supplementary Sponsor Commitment;
- (g) the Agency Agreement;
- (h) the Security Documents;
- (i) the US Security Sharing Agreement;
- (j) the Guarantee and Adherence Agreement;
- (k) any security and guarantee confirmation relating to the Transaction Security or the Guarantee and Adherence Agreement;
- (l) the Intercreditor Agreements; and
- (m) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

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

- (n) monies borrowed or raised, including Market Loans;
- (o) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable prior to 1 January 2019 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);



- (p) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (q) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (r) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (s) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (t) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (n)-(s).

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) and 11.1(a)(ii).

**"First Call Date"** means date falling 24 months after the First Issue Date.

**"First Issue Date"** means 2 March 2023.

**"Floating Rate Margin"** means 6.75 per cent. *per annum*.

**"Force Majeure Event"** has the meaning set forth in Clause 28(a).

**"Group"** means the Issuer and each of its Subsidiaries from time to time, and **"Group Company"** means any of them.

**"Guarantee and Adherence Agreement"** means:

- (a) the guarantee and adherence agreement originally dated 25 November 2019 as amended and restated and delivered to the Agent pursuant to Clause 4.1 (*Conditions Precedent Initial Bond Issue*) (if applicable); or
- (b) any other guarantee and adherence agreement pursuant to which the Guarantors shall, amongst other, (i) guarantee all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, and (ii) undertake to adhere to the terms of the Finance Documents.

**"Guarantees"** means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

**"Guarantors"** means the Initial Guarantors and each Group Company becoming a Guarantor pursuant to Clause 13.17 (*Additional Guarantors*).

**"Incurrence Test"** means the incurrence test set out in Clause 12.1 (*Incurrence Test*).

**"Initial Bond Issue"** means the issuance of the Initial Bonds.

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

**"Initial Guarantors"** means SGL International A/S, Scan Global Logistics A/S, SGL Express A/S, Scan Global Logistics AB, SGL Road AB, SGL Express Holding AB, SGL Express AB, Scan Global Logistics Ltd. (Hong Kong), Contenosa, S.A., Naypemar Barcelona, S.L. and Scan Global Logistics Pty Ltd (Australia).

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*Lag (2022:964) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Intercreditor Agreements"** means:

- (a) the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement; or
- (b) following a Replacement, the Replacement Intercreditor Agreement.

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

**"Interest Payment Date"** means 2 March, 2 June, 2 September, and 2 December each year (the first Interest Payment Date shall be 2 June 2023) and in case the last Interest Payment Date for the Bonds shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full) and to the extent any of the above dates is not a CSD Business Day, the CSD Business Day following from an application of the applicable Business Day Convention.

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

**"Interest Rate"** the Base Rate plus the Floating Rate Margin *per annum*, as adjusted by any application of Clause 21 (*Replacement of Base Rate*).

"**Issuer**" means Skill BidCo ApS, a Danish limited liability company with registration number (CVR) 43 63 99 51.

"**Jyske Super Senior Debt**" has the meaning given thereto in the SGL International Intercreditor Agreement.

"**Legal Reservations**" means matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered to the Agent pursuant to these Terms and Conditions.

"**Listing Failure Event**" means that the Issuer does not comply with the obligations set out under Clause 13.3 (*Listing*).

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

"**Material Adverse Effect**" means an event or circumstance which, taking into account all the mitigating factors or circumstances including, without limitation, resources (including, without limitation, funds, insurance and other claims and indemnities) available to the Group, has a material adverse effect on:

- (a) the business, assets or financial condition of the Group (taken as a whole);
- (b) the ability of the Group Companies (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (c) subject to the Legal Reservations and any applicable perfection requirements, the validity, enforceability or the effectiveness of any security granted or purported to be granted pursuant to the Finance Documents in a way that is materially adverse to the Bondholders as a whole.

"**Material Group Company**" means, at any time:

- (d) the Issuer, each Guarantor, US HoldCo, SGL TransGroup US Corp., Transfair North America International Freight Services, LLC; and
- (e) any wholly-owned Group Company which is nominated as such by the Issuer in accordance with Clause 13.15 (*Nomination of Material Group Companies*).

"**Material Intercompany Loan**" means any intercompany loans where:

- (a) the term of the intercompany loan is at least 12 months (the term to be determined by the Issuer); and
- (b) the principal amount thereof exceeds EUR 1,000,000.

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

**"Net Interest Bearing Debt"** means the Group's consolidated interest bearing Financial Indebtedness (for the avoidance of doubt, excluding Subordinated Loans, any claims subordinated pursuant to an Intercreditor Agreement or otherwise on terms and conditions satisfactory to the Agent, and interest bearing Financial Indebtedness borrowed from any Group Company) less Cash and Cash Equivalents of the Group.

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

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Global Coordinator and the Paying Agent for the services provided in relation to the placement and issuance of the Bonds.

**"Nominal Amount"** has the meaning set forth in Clause 2(c).

**"Paying Agent"** means NT Services AS, or another party replacing it, as Paying Agent, in accordance with these Terms and Conditions.

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

- (c) incurred under the Bonds (excluding Subsequent Bonds);
- (d) of the Group incurred pursuant to any financial leasing arrangements pursuant to paragraph (o) of the definition "Financial Indebtedness" incurred in the ordinary course of the Group's business in a maximum amount of EUR 1,500,000 (or its equivalent in any other currency);
- (e) incurred by the Group pursuant to any leases relating to rentals of office spaces, warehouses and other premises;
- (f) taken up from a Group Company;
- (g) of the Group under any guarantee issued by a Group Company or for the obligations of any Group Company, in the ordinary course of business;
- (h) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business, but not any transaction for investment or speculative purposes;
- (i) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (j) arising under cash pooling, netting or set off arrangements entered into by any Group Company in the ordinary course of its banking arrangements for the

purpose of netting debit and credit balances between Group Companies (including any ancillary bank facility which is an overdraft comprising more than one account);

- (k) related to any Subordinated Loans;
- (l) incurred under Advance Purchase Agreements;
- (m) incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity holding indebtedness, provided that the Incurrence Test is met, tested *pro forma* on the acquired entity in question on a stand-alone basis (without the Group) and provided that the acquired debt is converted into equity or refinanced by the Issuer, by way of issuance of Subsequent Bonds or otherwise, within six months following the date of the acquisition;
- (n) incurred by the Issuer if:
  - (i) such Financial Indebtedness:
    - (A) meets the Incurrence Test tested *pro forma* including such incurrence; or
    - (B) where the Incurrence Test is not met upon the incurrence, the Subsequent Blocked Proceeds are deposited on the Proceeds Account and may only be disbursed from the Proceeds Account upon satisfaction of the Incurrence Test; and
  - (ii) such Financial Indebtedness ranks *pari passu* or is subordinated to the obligations of the Issuer;
- (o) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (p) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds either on the date of such incurrence or on a later date but, if to be applied in redemption of the Bonds on a later date than the date of incurrence, provided that the proceeds of such Financial Indebtedness incurred are subject to an escrow arrangement up until the date of the redemption of the Bonds (taking into account the rules and regulations of the CSD);
- (q) incurred by the Issuer or its direct or indirect Subsidiaries under one or several working capital facilities (each a "**Working Capital Facility**"), which, if secured, are subject to an Intercreditor Agreement, provided for the general corporate purposes of the Group in a maximum aggregate amount equal to 17.5 per cent. of the aggregate of (i) the Total Nominal Amount, (ii) any debt incurred pursuant to paragraph (n) of the definition of "Permitted Debt" (excluding any Subordinated Loans), and (iii) the aggregate outstanding amount under any Market Loans (excluding any Subordinated Loans) and the total commitment of any Working Capital Facilities; and

- (r) not covered under paragraphs (c)-(q) above in an aggregate maximum amount of EUR 5,000,000.

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

- (a) granted under the Finance Documents or, subject to the terms the Intercreditor Agreements, for any Second Lien Financing or debt permitted under paragraph (n) of the definition of "Permitted Debt";
- (b) arising by operation of law or in the ordinary course of business (including any customary escrow arrangements in relation to acquisitions and disposals otherwise permitted under the finance documents or any collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided in relation to any lease agreement entered into by a Group Company (including precautionary Uniform Commercial Code filings);
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided for interest rate hedging transactions set out in paragraph (g) of the definition Permitted Debt;
- (f) arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;
- (g) 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 in the ordinary course of business;
- (h) provided in relation to any letters of credit;
- (i) provided for any guarantees issued by a Group Company or for the obligations of any Group Company, in the ordinary course of business;
- (j) provided for debt permitted under paragraph (m) of the definition of "Permitted Debt" but only over assets held, directly or indirectly, by such acquired entity;
- (k) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds or of any other bonds that may be issued in compliance with these Terms and Conditions, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds or of any other bonds that may be issued in compliance with these Terms and Conditions (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);

- (l) subject to the terms of any Intercreditor Agreement, provided for the Working Capital Facilities;
- (m) over Cash and Cash Equivalents or other property arising in connection with any defeasance, discharge or redemption of Financial Indebtedness;
- (n) over property or assets under construction (and related rights) in favour of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets; and
- (o) not covered by paragraphs (a)-(n) securing Financial Indebtedness or other obligations up to an aggregate amount at any one time not exceeding EUR 5,000,000.

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

**"Proceeds Account"** means the bank account opened in the name of the Issuer, by the Paying Agent into which Net Proceeds from the Initial Bond Issue will be transferred, and which has been pledged in favour of the Agent and the bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer, the Paying Agent and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the bondholders (represented by the Agent).

**"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 date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding CSD Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Agent; and
- (c) another relevant date, or in each case such other CSD Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

**"Reference Period"** means each period of 12 consecutive calendar months.

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

**"Replacement"** means either the occurrence of the Replacement Event or any other replacement of the SGL International Intercreditor Agreement and the US HoldCo Intercreditor Agreement with the Replacement Intercreditor Agreement after the Closing Date.

**"Replacement Event"** means the event that the Replacement Intercreditor Agreement is to be entered into in connection with the Closing Date.

**"Replacement Intercreditor Agreement"** means any intercreditor agreement, the principle terms of which are substantially consistent with the intercreditor term sheet set out in Schedule 1 (*Intercreditor Term Sheet*), which replaces the SGL International Intercreditor Agreement and/or the US HoldCo Intercreditor Agreement, and where the Transaction Security and the Guarantees shall be shared between the Bonds, any New Debt (as defined in the Replacement Intercreditor Agreement) and any Super Senior RCF as Super Senior Debt (as defined in the Replacement Intercreditor Agreement).

**"Replacement Transaction Security"** means following Security:

- (a) a pledge over any Subordinated Loans made to the Issuer by its direct or indirect parent company;
- (b) a pledge over all the shares currently issued in the Issuer, each Guarantor, the US HoldCo, Transfair North America International Freight Services, LLC, Scan Global Logistics Spain S.L.U. and Tran Sea Land, S.A. de C.V.;
- (c) a pledge over any Material Intercompany Loan made by the Issuer or SGL International A/S to US HoldCo or to any Material Group Company (other than Scan Global Logistics Ltd – Shanghai);
- (d) a pledge over existing floating charges or business mortgages in the business of Scan Global Logistics A/S and a floating charge over substantially all assets of Scan Global Logistics Ltd (Hong Kong);
- (e) a pledge over all the equity interests currently issued in any member of the US HoldCo Group other than US HoldCo which at the time of the Replacement is subject to US Transaction Security;
- (f) a pledge over all assets of the US HoldCo Group other than equity interests which at the time of the Replacement is subject to US Transaction Security; and
- (g) any other security granted in respect of the Senior Finance Documents;
- (h) any further Security granted pursuant to these Terms and Conditions or the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement and any Security granted by the US HoldCo or any of its Subsidiaries).



**"Restricted Payment"** has the meaning set forth in Clause 13.2(a).

**"Revolving Loan Agreement"** has the meaning given thereto in the US HoldCo Intercreditor Agreement.

**"Revolving Loan Debt"** has the meaning given thereto in the US HoldCo Intercreditor Agreement.

**"SAFE"** the State Administration for Foreign Exchange of the People's Republic of China.

**"Second Lien Financing"** means Financial Indebtedness incurred by the Issuer and which:

- (a) subject to as permitted pursuant to paragraph (b)(vii) of Clause 13.2 (*Restricted Payments*), only yield payment-in-kind interest according to its terms;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur at least 12 months after the Final Maturity Date;
- (c) has been acceded as second lien debt to the SGL International Intercreditor Agreement or the Replacement Intercreditor Agreement (as applicable); and
- (d) benefits from the Transaction Security on seconds ranking basis pursuant to, and in accordance with, the terms of the Intercreditor Agreements.

**"Secured Obligations"** shall have the meaning given to such term in the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement).

**"Secured Parties"** means:

- (a) in relation to the Guarantees and the SGL Transaction Security, the Secured Parties (as defined in the SGL International Intercreditor Agreement);
- (b) in relation to the US Transaction Security, the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement); and
- (c) following a Replacement, in relation to the Guarantees and the Replacement Transaction Security, the Secured Parties (as defined in the Replacement Intercreditor Agreement).

**"Securities Account"** means the account for dematerialised securities maintained by the CSD pursuant to the relevant securities registration legislation 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.

**"Security Agent"** means the security agent, appointed by the Secured Parties pursuant to the Intercreditor Agreements, holding the Transaction Security on behalf of the Secured Parties.

**"Security Documents"** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**"Senior Finance Documents"** shall have the meaning given to "Senior Finance Documents" in the SGL International Intercreditor Agreement or any Replacement Intercreditor Agreement (as applicable).

**"SGL International Intercreditor Agreement"** means the intercreditor agreement originally dated 25 November 2019 and entered into between, amongst other, SGL International A/S, the super senior RCF creditors under the Super Senior RCF, the facility agent under the Super Senior RCF, certain hedging counterparties and the agent (representing the bondholders under the Existing Bonds) on 25 November 2019 as amended and restated and delivered to the Agent pursuant to Clause 4.1 (*Conditions Precedent Initial Bond Issue*) (if applicable).

**"SGL Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) a pledge over any Subordinated Loans made to the Issuer by its direct or indirect parent company;
- (b) a pledge over all the shares currently issued in the Issuer, each Guarantor, the US HoldCo, Transfair North America International Freight Services, LLC, Scan Global Logistics Spain S.L.U. and Tran Sea Land, S.A. de C.V.;
- (c) a pledge over any Material Intercompany Loan made by the Issuer or SGL International A/S to US HoldCo or to any Material Group Company (other than Scan Global Logistics Ltd – Shanghai);
- (d) a pledge over existing floating charges or business mortgages in the business of Scan Global Logistics A/S and a floating charge over substantially all assets of Scan Global Logistics Ltd (Hong Kong);
- (e) any other security granted in respect of the Senior Finance Documents; and
- (f) any further Security granted pursuant to these Terms and Conditions or the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement and any Security granted by the US HoldCo or any of its Subsidiaries).

**"Sole Global Coordinator"** means Pareto Securities AB.

**"Sponsor Commitment"** means the equity commitment letters provided to the Issuer by the Sponsors pursuant to which the Sponsors undertake to make funds available to the Issuer in an aggregate amount not less than the amount required by the Issuer to make a payment of any Shortfall (in each case, excluding any Bonds held by the Issuer) in connection with a redemption of the Bonds as set out in Clause 4.1(e).

**"Sponsors"** means (i) CVC Funds, and (ii) AEA.

**"Subordinated Loans"** means:

- (a) any loan incurred by the Issuer, SGL International A/S or US HoldCo, where the Issuer, SGL International A/S or US HoldCo is the debtor, if such loan (i) according to its terms and pursuant to a subordination agreement is subordinated to the obligations of the Issuer under these Terms and Conditions, (ii) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date, and (iii) according to its terms yield only payment-in-kind interest; and
- (b) any Second Lien Financing.

**"Subsequent Blocked Proceeds"** has the meaning set forth in Clause 2(f).

**"Subsequent Bond Issue"** has the meaning set forth in Clause 2(f).

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

**"Subsidiary"** means an entity from time to time of which a person:

- (c) has direct or indirect control; or
- (d) owns directly or indirectly more than 50 per cent. of the share capital or other right of ownership.

**"Super Senior RCF"** has the meaning given thereto in the SGL International Intercreditor Agreement or the Replacement Intercreditor Agreement (as applicable).

**"Supplementary Sponsor Commitment"** has the meaning set forth in Clause 4.1(g).

**"Targets"** means Scan (Jersey) TopCo Ltd and SGL TransGroup US Corp.

**"Temporary Bonds"** means the bonds issued by the Issuer under:

- (a) ISIN NO0012847831;
- (b) ISIN NO0012826041; and
- (c) ISIN NO0012847682.

**"Temporary Bond Conversion"** means any conversion of Temporary Bonds into Bonds on or after the Closing Date, in each case in accordance with the rules of the CSD and the terms of such Temporary Bonds.

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

**"Transaction Costs"** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the

issuance and listing of Market Loans, (ii) the listing of the Bonds, (iii) the Acquisition or any acquisition of another entity, (iv) an Equity Listing Event, (v) refinancing of the Existing Bonds, and (vi) incurrence of permitted debt pursuant to paragraph (n) of the definition of "Permitted Debt".

**"Transaction Security"** means:

- (a) the SGL Transaction Security and the US Transaction Security; or
- (b) following a Replacement, the Replacement Transaction Security.

**"USD"** means United States dollar, the currency for the United States of America.

**"US HoldCo"** means TransGroup Global Inc., business identity code 81-3664939.

**"US HoldCo Group"** means US HoldCo and its Subsidiaries.

**"US HoldCo Intercreditor Agreement"** means the intercreditor agreement originally dated 25 November 2019 and entered into between the revolving loan agent under the Revolving Loan Agreement (representing the super senior creditors under the Revolving Loan Agreement) and the agent (representing the bondholders under the Existing Senior Bonds) on 25 November 2019 as amended and restated and delivered to the Agent pursuant to Clause 4.1 (*Conditions Precedent Initial Bond Issue*) (if applicable).

**"US Security Secured Obligations"** means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Finance Documents.

**"US Security Sharing Agreement"** means the security sharing agreement originally dated 8 April 2021 between the agent under the Existing Bonds regarding the sharing of the proceeds from an enforcement of the security granted pursuant to any US Transaction Security which (if applicable) shall be amended and restated pursuant to an amendment and restatement agreement delivered to the Agent pursuant to Clause 4.1 (*Conditions Precedent Initial Bond Issue*) (if applicable).

**"US Transaction Security"** means following Security:

- (a) a pledge over all the equity interests currently issued in any member of the US HoldCo Group other than US HoldCo;
- (b) a second ranking pledge over all assets of the US HoldCo Group other than equity interests (but including inter-company loans which are subject to security granted in favour of any creditor in connection with any Working Capital Facilities provided to the US HoldCo Group); and
- (c) any further Security granted by US HoldCo or any of its Subsidiaries pursuant to these Terms and Conditions,

in each case, subject to the US HoldCo Intercreditor Agreement (if applicable).

**"Working Capital Facilities"** means the working capital facilities described in paragraph (q) of the definitions of "Permitted Debt".

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website [www.ecb.europa.eu](http://www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.
- (c) When ascertaining whether a limit or threshold specified in USD 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 USD for the previous Business Day, as published by the US Federal Reserve System on its website [www.federalreserve.gov](http://www.federalreserve.gov). If no such rate is available, the most recently published rate shall be used instead.
- (d) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- (e) Notwithstanding paragraph (b) above, at a Bondholders' Meeting or by way of a Written Procedure, the calculations of whether a quorum exists and if the

relevant consent has been obtained, shall be made in EUR. Each Bond shall always entitle to one vote at a Bondholders' Meeting or by way of a Written Procedure.

- (f) No delay or omission of the Agent, the Security 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.
- (g) 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

- (a) The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is EUR 1,000. The maximum total nominal amount of the Initial Bonds together with any Subsequent Bonds issued pursuant to paragraphs (f)(iii) and (f)(iv) is EUR 750,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 98.00 per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is EUR 100,000.
- (e) The ISIN of the Bonds is NO0012826033.
- (f) The Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**") provided that:
  - (i) the Incurrence Test is met;
  - (ii) the Incurrence Test is not met but where the Net Proceeds from such Subsequent Bond Issue are deposited on the Proceeds Account, to be released to the Issuer (in full or in part) if the Issuer meets the Incurrence Test (tested on a *pro forma* basis in relation to the contemplated release amount) (the "**Subsequent Blocked Proceeds**");
  - (iii) such Subsequent Bond Issue is undertaken for the purpose of effecting a Temporary Bond Conversion on or following the Closing Date; or
  - (iv) such Subsequent Bond Issue is undertaken for the purpose of effecting an Exchange in connection with Closing Date.

Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount

and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 1,150,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.

- (g) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) any super senior ranking of the Jyske Super Senior Debt (as defined in the SGL International Intercreditor Agreement) and the Revolving Loan Debt (as defined in the US HoldCo Intercreditor Agreement) or any other Working Capital Facility ranking senior to the Bonds in accordance with the Intercreditor Agreements.
- (h) 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (i) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. Use of Proceeds**

- (a) The Net Proceeds from the Initial Bond Issue shall be used to (a) finance the purchase price for the Acquisition, (b) refinance any Existing Bonds which are not subject to an Exchange, (c) pay Transaction Costs, and (d) finance general corporate purposes of the Group (including refinancing of existing Financial Indebtedness, investments and acquisitions).
- (b) The proceeds from any Subsequent Bond Issue shall be used to finance Transaction Costs and general corporate purposes (including investments and acquisitions).

### **4. Conditions Precedent and Conditions Subsequent**

#### **4.1 Conditions Precedent Initial Bond Issue**

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of (i) the Proceeds Account Pledge Agreement being duly executed and perfected,

and (ii) the Sponsor Commitment being provided to the Issuer and the documentation relating to the Sponsor Commitment being duly executed by the parties thereto.

- (b) The Issuer shall provide, or procure the provision of, the Agent with the following:
- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent) together constituting evidence that the relevant Finance Documents have been duly executed (and in case of (i) an Existing Bonds Call Option Event and relating to the Targets or their respective Subsidiaries, such documents may be delivered promptly after disbursement of the Net Proceeds, or (ii) the Replacement Event and relating to the Target and their respective Subsidiaries, may be delivered in accordance with section "Conditions Subsequent");
  - (ii) evidence that the Finance Documents have been duly executed (other than the Finance Documents listed (i) under paragraphs (c) and (d) below, or (ii) upon occurrence of the Replacement Event, under the heading "Conditions Subsequent");
  - (iii) copies of any Security Documents to be granted by a member of the Group (other than the Targets or any of their respective Subsidiaries) together with evidence that the Transaction Security purported to be created thereunder either has been or will be promptly perfected in accordance with the terms of the Security Documents;
  - (iv) provided that no Replacement Event has occurred:
    - (A) accession letter(s) to the Intercreditor Agreements, duly executed by the Security Agent, the providers of Jyske Super Senior Debt and Revolving Loan Debt (as defined in the Intercreditor Agreements) and SGL International A/S which are to become effective upon repayment of the Existing Bonds and/or the completion of any applicable mandatory exchange relating to the Existing Bonds;
    - (B) amendment and restatement agreements to existing Security Documents and/or security confirmation agreements relating to any Transaction Security already granted for the Senior Finance Documents as of the Closing Date and which are required for the Bonds to benefit from such Transaction Security (subject to any applicable local law limitations), duly executed; and
    - (C) documents and other evidences to be delivered pursuant to the documents referred to under paragraphs (A) and (B) above to (1) permit the Bonds to benefit from the Transaction Security,



and (2) perfect and create the security thereunder, provided that any perfection and/or registration requirements (including applicable Australian whitewash procedures) shall be completed as soon as practically possible within customary time periods in accordance with the terms of the Security Documents,

and in each case, if an Existing Bonds Call Option Event has occurred, in respect of any such document to be entered into and/or be provided by the Targets or their respective Subsidiaries, such documents and other evidence may be delivered to the Agent within two (2) Business Days of disbursement of the Net Proceeds provided that agreed forms of such documents and/or other evidence have been provided to the Agent no later than on the date of disbursement of the Net Proceed from the Proceeds Account);

- (v) upon the occurrence of the Replacement Event, the Replacement Intercreditor Agreement duly executed by the original parties thereto;
- (vi) evidence that:
  - (A) all or some of the classes of Existing Bonds have been, or will be, exchanged for Bonds pursuant to an Exchange; and
  - (B) such Existing Bonds not being subject to an Exchange or any applicable mandatory exchange, will be redeemed no later than two Business Days following the disbursement from the Proceeds Account by way of a funds flow and an executed release instruction from SGL International A/S sent to the trustee under the Existing Bonds;
- (vii) evidence that the Issuer has received the Equity Contribution;
- (viii) evidence that (A) all closing conditions for the Acquisition (except for payment of the purchase price have been satisfied or waived, (B) the Issuer has sufficient funds at its disposal to pay the purchase price for the Acquisition (and, in the event of an Existing Bonds Call Option Event, the redemption of the Existing Bonds), and (C) the Acquisition will be consummated immediately upon disbursement of funds from the Proceeds Account;
- (ix) an agreed form Compliance Certificate; and
- (x) legal opinion(s) on the capacity of each member of the Group which is a party to a Finance Document not incorporated in Sweden and the validity and enforceability of the Finance Documents not governed by Swedish law, in each case issued by a reputable law firm (if applicable) and in form and substance satisfactory to the Agent (acting reasonably) (and in case of an Existing Bonds Call Option Event, any legal opinion(s) relating to the Targets and their respective Subsidiaries and/or any

document to be entered into by such Group Companies may be delivered to the Agent within two (2) Business Days of disbursement of the Net Proceeds.

- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clauses 4.1(b) and 4.2 (*Conditions Subsequent*) are accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above and Clause 4.2 below from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been, or where applicable, will be, received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the Paying Agent to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith instruct the Paying Agent to release the pledge over the Proceeds Account.
- (e) If (i) the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent by 31 December 2023, or (ii) the Issuer has confirmed to the Agent that the Acquisitions has been aborted (the earlier to occur of paragraph (i) and (ii) being the "**Long Stop Date**"), the Issuer shall repurchase all Bonds at a price equal to 98 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(e). Any shortfall (excluding any payments to be made with respect to Bonds held by the Issuer) (a "**Shortfall**") shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the Long Stop Date.
- (f) The Issuer shall exercise its rights under the Sponsor Commitment to call for funds in order to satisfy any Shortfall within the time period set out above in Clause 4.1(e). If the Issuer fails to exercise its rights under the Sponsor Commitment within five Business Days from the Long Stop Date, the Agent may exercise such right on behalf of the Issuer.
- (g) If, on the first date of an Interest Period (the "**Determination Date**"), the Sponsor Commitment is determined to be insufficient to cover the full amount of the Shortfall, the Issuer shall procure that the Sponsors provide a supplementary sponsor commitment on substantially the same terms as the Sponsor Commitment in an amount which in aggregate with the Sponsor Commitment is sufficient to cover any reasonably anticipated Shortfall (a "**Supplementary Sponsor Commitment**") within 20 Business Days of the Determination Date.
- (h) Until the occurrence of the Long Stop Date, the Issuer may, no later than 5 Business Days prior to an Interest Payment Date, or, in case of a payment described under paragraph (iii) below, no later than one Business Day prior to

the date of such payment, request that the Agent applies funds standing to the credit of the Proceeds Account towards payment of:

- (i) Interest due and payable on the next immediate interest Payment Date with respect to the Initial Bonds in accordance with these Terms and Conditions together with any applicable premium payable with respect to any interest rate hedging;
- (ii) any accrued but unpaid interest under any Temporary Bonds;
- (iii) any payment in respect of interest rate hedging in relation to the Interest provided that the sum of (A) such payment together with the interest payable in relation to the Bonds following such interest rate hedging (taking into account the applicable interest rate hedging premium payable for such interest rate hedging up to a maximum amount of EUR 2,500,000) and (B) any payment of interest pursuant to paragraph (ii) above and payment of fees to be made pursuant to paragraph (iv) below, does not exceed EUR 35,000,000; and
- (iv) all fees due and payable to the Agent under the Agency Agreement and any similar agreement with respect to any Temporary Bonds and/or the Paying Agent under any account operator agreement relating to the Bonds or any Temporary Bonds,

and the Agent shall, upon receipt of such request, promptly take any action required to make any such payment, provided that the Issuer, with respect to the Issuer's request for release of funds for the purpose of making any payment pursuant paragraph (iii) above, in a timely manner, provide evidence satisfactory to the Agent confirming compliance with the conditions stated therein.

#### **4.2 Conditions Subsequent**

- (a) Upon the occurrence of the Replacement Event, the Issuer shall, no later than 90 days following disbursement of the Net Proceeds from the Proceeds Account, provide the Agent with the following:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for each relevant Group Company which is party to a Finance Document, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) the Guarantee and Adherence Agreement, duly executed by each relevant Group Company being a party to the current Guarantee and Adherence Agreement;
  - (iii) copies of any Security Documents relating to Transaction Security to be granted by a Target or any of such Target's Subsidiaries;

- (iv) evidence that the Transaction Security either has been or will within customary time periods be perfected in accordance with the terms of the Security Documents;
  - (v) evidence by way of a release letter that the security existing in favour of the Existing Bonds, Jyske Super Senior Debt and/or Revolving Loan Debt (each as defined in the Intercreditor Agreements) will be (or has been) released and discharged upon repayment of such liabilities; and
  - (vi) legal opinion(s) on the capacity, validity and enforceability of the Finance Documents not governed by Swedish law and issued by a reputable law firm in respect of any non-Swedish member of the Group which is a party to such Finance Document, in each case in form and substance satisfactory to the Agent (acting reasonably).
- (b) Upon the occurrence of a Replacement (other than the Replacement Event), the Issuer shall on the date of the Replacement provide the Agent with the following:
- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for each relevant Group Company which is party to a Finance Document, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) the Guarantee and Adherence Agreement, duly executed by each Guarantor;
  - (iii) copies of any Security Documents relating to Transaction Security to be granted by a Target or any of such Target's Subsidiaries;
  - (iv) evidence that the Transaction Security either has been or will within customary time periods be perfected in accordance with the terms of the Security Documents;
  - (v) evidence by way of a release letter that the security existing in favour of the Existing Bonds, Jyske Super Senior Debt and/or Revolving Loan Debt (each as defined in the Intercreditor Agreements) will be (or has been) released and discharged upon repayment of such liabilities; and
  - (vi) legal opinion(s) on the capacity, validity and enforceability of the Finance Documents not governed by Swedish law and issued by a reputable law firm in respect of any non-Swedish member of the Group which is a party to such Finance Document, in each case in form and substance satisfactory to the Agent (acting reasonably).

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

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued and the right, title and interest of any Bondholder, assignee and participant and its successors and assigns in and to such obligations shall be transferable only through the CSD. Accordingly, the Bonds will be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD. Registration requests relating to the Bonds shall be directed to the Paying Agent or an Account Operator. This paragraph shall be construed so that the obligations with respect to the Bonds are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of U.S. Internal Revenue Code of 1986, as amended.
- (b) In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD (subject to applicable law).
- (c) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds (subject to applicable law).

## **6. Right to Act on Behalf of a Bondholder**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents it must obtain proof of ownership of the Bonds, acceptable to the Agent.
- (b) A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other similar evidence of authorisation that has been provided to it pursuant to this paragraph (c) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

- (a) The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on each payment date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Agent and/or the Paying Agent in advance of each payment date

or when other payments are due and payable pursuant to these Terms and Conditions.

- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a payment date to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.
- (e) 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 without any default interest in accordance with Clause 8(d) during such postponement.
- (f) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount (unless the Issuer has actual knowledge of the fact that the payment was made to the wrong person at the time of the payment being made).
- (g) 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.
- (h) Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) 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 (but excluding) the relevant Redemption Date.

- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date under the Finance Documents ("**Overdue Amount**"), default interest shall accrue on the Overdue Amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two per cent. higher than the Interest Rate. Default interest accrued on any Overdue Amount pursuant to this paragraph (d) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Paying Agent or the CSD, in which case the Interest Rate shall apply instead. These Terms and Conditions apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time. Holders of Overdue Amounts related to interest claims will not have any other rights under these Terms and Conditions than their claim for payment of such interest claim which claim shall be subject to paragraph (g) of Clause 16 (*Decisions by Bondholders*).

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

### **9.1 Redemption at maturity**

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

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer (including Bonds repurchased by the Issuer pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*)) may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a redemption or repurchase of the Bonds in full).

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

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
  - (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.375 per cent. of the

Nominal Amount plus the remaining interest payments to, but excluding, the First Call Date, together with accrued but unpaid Interest;

- (ii) any time from and including the First Call Date, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.375 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first CSD Business Day falling 36 months after the First Issue Date to, but excluding, the first CSD Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 102.025 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (v) any time from and including the first CSD Business Day falling 42 months after the First Issue Date to, but excluding, the first CSD Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.35 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (vi) any time from and including the first CSD Business Day falling 48 months after the First Issue Date to, but excluding, the first CSD Business Day falling 54 months after the First Issue Date at an amount per Bond equal to 100.675 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (vii) any time from and including the first CSD Business Day falling 54 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.3375 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with paragraph (a) above shall be made by the Issuer giving not less than 10 Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. The notice shall specify the relevant Redemption Date. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) Unless the redemption price is set out in the written notice where the Issuer exercises its right to redemption in accordance with paragraph (a)(i) the Issuer shall publish the redemption price to the Bondholders as soon as possible and at the latest within three Business Days from the date of the notice.



- (d) For the purpose of calculating the remaining interest payments pursuant to paragraph (a)(i) above it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### 9.4 Voluntary partial redemption

- (a) The Issuer may on one occasion, in connection with an Equity Listing Event redeem up to 35.00 per cent. of the Total Nominal Amount of the Bonds, in which case there shall be a *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period.
- (b) The Issuer may redeem the Bonds per each twelve month period in a maximum aggregate amount not exceeding ten (10) per cent. of the total Nominal Amount (the "**Redemption Amount**") plus any unutilised Redemption Amount carried forward from the preceding twelve month period and/or any Redemption Amount being carried back from the next immediate twelve month period (providing that if such carry-back is effected, the amount of such carry-back will reduce the Redemption amount for the next immediate twelve month period in an equal amount). The repayment must occur on an Interest Payment Date. The repayment per Bond shall be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period.

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

- (a) Upon the occurrence of a Change of Control Event or Listing Failure Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 30 calendar days following a notice from the Issuer of the Change of Control Event or a Listing Failure Event pursuant to Clause 11.1(d) (after which time period such rights

lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or a Listing Failure Event.

- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than 20 CSD Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

## **10. Transaction Security and Guarantees**

- (a) Prior to a Replacement and subject to the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the SGL Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) Prior to a Replacement and subject to the US HoldCo Intercreditor Agreement and applicable corporate law limitations, as continuing Security for the due and punctual fulfilment of the US Security Secured Obligations, each member of the US HoldCo Group being a party to any Security Document grants the US Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the relevant Security Documents.
- (c) Following a Replacement and subject to the Replacement Intercreditor Agreement, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Replacement Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (d) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement, the Intercreditor Agreements or these

Terms and Conditions (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.

- (e) Unless and until the Security Agent has received instructions to the contrary from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*) in relation to the US Transaction Security or in accordance with the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement) in relation to the Guarantees or the Transaction Security, the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the Secured Parties' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (f) The Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- (g) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreements.
- (h) The Agent shall undertake to assist with taking any steps required in order for the Group to complete any solvent liquidation, merger, demerger and/or other reorganisation of the Group in compliance with the Finance Documents (a "**Reorganisation**") provided that (i) all of the business and assets (including shares) remain within the Group, or in the event of a Group Company which is not a wholly-owned Subsidiary of the Issuer, the value or percentage of any minority interest in any member of the Group held by any person which is not a member of the Group is not increased, (ii) if the assets or shares were the subject of Transaction Security under the Security Documents immediately prior to such Reorganisation then the Bondholders and the Agent will enjoy substantially the same or equivalent guarantees and Transaction Security over the assets and shares afterwards), (iii) if the Issuer is subject to such Reorganisation, the Issuer remains the surviving entity, and (iv) if the non-surviving Group Company in a merger or the Group Company subject to a solvent liquidation were a Guarantor, the surviving Group Company or the Group Company receiving the proceeds from the liquidation shall become a Guarantor (unless such Group Company is already a Guarantor).
- (i) Any Transaction Security granted or purported to be granted under the Security Documents and any Guarantee shall be subject to customary financial assistance

and corporate benefit limitations (as applicable) and no Group Company shall be required to grant security over floating charges or business mortgages if the issuance or granting of such would impose a stamp duty or similar fee or tax which is not negligible.

## **11. Information to Bondholders**

### **11.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed on a Regulated Market:
  - (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in paragraph (a)(i) and (a)(ii) above shall be prepared in accordance with IFRS.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or Listing Failure Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (e) The Issuer shall promptly 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. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with the testing of the Distribution Test;
  - (iii) in connection with that the annual financial statements is made available; and
  - (iv) in connection an acquisition to be made and where the Incurrence Test is to be tested in accordance with paragraph (c) of Clause 12.3 (*Testing of the Incurrence Test and the Distribution Test*).
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (f) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

## **11.2 Information from the Agent**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may

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

### **11.3 Publication of Finance Documents**

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

## **12. Financial Undertakings**

### **12.1 Incurrence Test**

The Incurrence Test is met if:

- (a) the Net Leverage Ratio is not greater than:
  - (i) 4.00:1 from the First Issue Date until (and including) the date falling 30 months after the First Issue Date;
  - (ii) 3.75:1 from (but excluding) the date falling 30 months after the First Issue Date until (and including) the date falling 42 months after the First Issue Date;
  - (iii) 3.50:1 from (but excluding) the date falling 42 months after the First Issue Date until (and including) the Final Maturity Date; and
- (b) no Event of Default is continuing or would occur upon the relevant incurrence or payment.

### **12.2 Distribution Test**

The Distribution Test is met if the Net Leverage Ratio is not greater than 2.50:1 and no Event of Default is continuing or would occur upon making of a Restricted Payment.

### **12.3 Testing of the Incurrence Test and the Distribution Test**

- (a) The Net Leverage Ratio for purpose of the Incurrence Test or the Distribution Test (as applicable) shall be calculated as follows:
  - (i) the calculation of the Net Leverage Ratio shall be made as per a testing date determined by the Issuer, falling no more than three months prior to:

- (A) the signing of a binding agreement relating to an acquisition if it relates to Financial Indebtedness to be used to finance such acquisition (or Subsequent Bonds for the purpose of refinancing Financial Indebtedness incurred for such acquisition);
  - (B) the incurrence of the new Financial Indebtedness; or
  - (C) the making of a Restricted Payment (as applicable); and
- (ii) the Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).
- (b) If the Incurrence Test is tested in connection with the disbursement of any Subsequent Blocked Proceeds from the Proceeds Account in accordance with paragraph (n)(i)(B) of the definition of "Permitted Debt", the Incurrence Test shall, in addition to paragraph (a) above, be tested *pro forma* where the amount to be released from the Proceeds Account shall be added to Net Interest Bearing Debt.
- (c) Notwithstanding the above paragraphs, if the Incurrence Test is tested in connection with incurrence of Financial Indebtedness to be used for an acquisition, the calculation of the Net Leverage Ratio may, at the Issuer's election, be made based on the Net Leverage Ratio for the to be acquired entity only on a stand-alone basis (without the Group). The Net Interest Bearing Debt shall be measured for the relevant to be acquired entity on the relevant testing date so determined, but include the new Financial Indebtedness incurred by the Group for the acquisition and shall include cash in the amount of any Subordinated Loan or unconditional shareholder's contribution made for the purpose of the Incurrence Test in connection with such acquisition.

#### 12.4 Calculation Adjustments

- (a) The figures for EBITDA, Finance Charges and Net Finance Charges for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that:
- (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.
- (b) The figures for Net Interest Bearing Debt set out in the most recent Financial Report (including when necessary, financial statements published before the

First Issue Date), shall be used, but adjusted so that Net Interest Bearing Debt for such period shall be:

- (i) reduced to reflect any Net Interest Bearing Debt attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Interest Bearing Debt is included in the relevant financial statements);
- (ii) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to (i) any Financial Indebtedness owed by acquired entities, and (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
- (iii) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred under any Subsequent Bonds, calculated as if such debt had been incurred at the beginning of the relevant Reference Period.

## **13. General Undertakings**

### **13.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Obligor (pursuant to the Guarantee and Adherence Agreement) undertakes to) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

### **13.2 Restricted Payments**

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted equity with repayment to shareholders;
  - (iv) repay or pay interest under any Subordinated Loans;
  - (v) grant any loans except to Group Companies; or
  - (vi) make any other similar distributions or transfers of value to the Issuer's or the Subsidiaries', direct and indirect shareholders (other than the Issuer or a Subsidiary of the Issuer) or the Affiliates of such direct and indirect shareholders,

(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").



- (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made:
- (i) if mandatory by law;
  - (ii) if made to the Issuer or a direct or indirect Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, it shall be made on at least a *pro rata* basis;
  - (iii) provided that no Event of Default is continuing and the proceeds of the distribution are applied to repurchase shares in any direct or indirect shareholder of the Issuer from management and/or employees in an aggregate maximum amount of USD 1,000,000 per financial year (with unused amounts to be carried forward);
  - (iv) if fully financed by way of an equity injection;
  - (v) as a repayment of any Second Lien Financing if fully financed by a Second Lien Financing;
  - (vi) as a repayment of any Subordinated Loan if fully financed by a Subordinated Loan (other than a Second Lien Financing);
  - (vii) in relation to payment of interest under any Second Lien Financing (which is not provided by a direct or indirect shareholder of the Issuer or such shareholder's Affiliates, a Sponsor or any Affiliate of a Sponsor) provided that the Incurrence Test is met (calculated on a pro forma basis including the relevant Restricted Payment); and/or
  - (viii) following an Equity Listing Event (provided that the shares remain admitted to trading on a regulated market) and full utilisation of the Equity Claw Back, by the Issuer if:
    - (A) the Distribution Test is met (calculated on a pro forma basis including the relevant Restricted Payment); and
    - (B) the aggregate amount of all Restricted Payments of the Group does not exceed 50 per cent. of the Group's profit for the previous financial year.
- (c) Notwithstanding paragraph (a) above, the Issuer may make payments to the Sponsors covering, *inter alia*, annual monitoring fees and administrative expenses, in a maximum aggregate amount not exceeding EUR 3,000,000 in any calendar year provided that no Event of Default is continuing or would occur due to such Restricted Payment.

### 13.3 Listing

The Issuer shall ensure that:

- (a) (i) the Initial Bonds are listed on a Regulated Market within six months of the First Issue Date, (ii) any Subsequent Bonds (other than any Subsequent Bonds

issued pursuant to Clauses 2(f)(iii) and 2(f)(iv)) are listed on the relevant Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days, and (iii) and any Subsequent Bonds issued pursuant to Clauses 2(f)(iii) and 2(f)(iv) are listed on the relevant Regulated Market within six months of the First Issue Date if issued no earlier than five months after the First Issue Date or within 60 days after the issuance of such Subsequent Bonds if issued later after the date on which 5 months have passed from the First Issue Date;

- (b) the Bonds are listed on the Open Market of the Frankfurt Stock Exchange or Nasdaq Transfer Market (or any stock exchange replacing it) as soon as reasonably practicable after the relevant Issue Date and remain listed on such exchange until the Bonds have been redeemed in full; and
- (c) the Bonds, if admitted to trading on a Regulated Market, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) which may prevent trading in the Bonds in close connection to the redemption of the Bonds).

#### **13.4 Authorisations**

The Issuer shall, and shall ensure that its Subsidiaries will, obtain, comply with, renew and do all that is necessary to maintain in full force and effect any licences, authorisation or any other consents required to enable it to carry on its business, where failure to do so would have a Material Adverse Effect

#### **13.5 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 if such substantial change would have a Material Adverse Effect.

#### **13.6 Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, provided however that the Group Companies have a right to incur Financial Indebtedness that constitutes Permitted Debt and incur Financial Indebtedness under the Temporary Bonds.

#### **13.7 Disposal of Assets**

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets or operations to any person, other than:
  - (i) to the Issuer or any member of the Group;
  - (ii) disposal of accounts receivables by way of non-recourse factoring or invoice discounting; or

- (iii) to any other Person, provided that if the value of the assets being subject to a disposal exceeds EUR 50,000,000 the Issuer shall either, (A) apply the net proceeds from such disposal towards reinvestment in the same line of business within 12 months (or, if committed to be so applied within 12 months from the disposal, shall be so applied within 18 months) from the disposal, or (B) redeem the Bonds by way of reducing the Nominal Amount *pro rata*),

provided that the transaction (other than in respect of paragraph (i) above) is carried out at fair market value and on arm's length terms.

- (b) The repayment per Bond in accordance with paragraph (a)(iii) above shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period. The repayment shall be carried out by pro rata payments to the Bondholders in accordance with the applicable regulations of the CSD.

### **13.8 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to (i) provide, prolong and renew any Permitted Security, (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired by a Group Company, and (iii) provide security over the Existing Bonds as security for the Temporary Bonds.

### **13.9 Loans out**

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend any loans in any form to any party other than (i) in the ordinary course of business, (ii) to a Group Company, and (iii) any other loan in an aggregate outstanding amount not exceeding EUR 1,000,000.

### **13.10 Insurances**

The Issuer shall, and shall ensure that its Subsidiaries will, maintain insurances on and in relation to their business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business, where failure to do so would have a Material Adverse Effect.

### **13.11 Environmental compliance**

The Issuer shall, and shall ensure that its Subsidiaries will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.12 Holding company**

The Issuer shall not trade, carry on any business, own any material assets or incur any liabilities, except for (i) the provision of administrative, managerial, legal, treasury, information, technology and accounting services to other Group Companies of a type customarily provided by a holding company (including retaining and the secondment of employees for such purpose), (ii) acquisition and ownership of shares in any company, (iii) intra-group debit and credit balances and debit and credit balances held in bank accounts, (iv) the payment of professional fees and administrative costs, (v) liabilities incurred in connection with Subordinated Loans, (vi) as permitted by the Finance Documents and under the Working Capital Facilities and (vii) liability to pay tax

### **13.13 Dealings at arm's length terms**

The Issuer shall, and shall procure that its Subsidiaries 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 on arm's length terms.

### **13.14 Compliance with laws**

The Issuer shall, and shall ensure that each of its Subsidiaries will, comply in all material respects with all laws and regulations it or they may be subject to from time to time.

### **13.15 Nomination of Material Group Companies**

At:

- (a) the First Issue Date and thereafter once every year (simultaneously with the publication by the Issuer of the audited annual financial statements of the Group and the Compliance Certificate related thereto pursuant to Clause 11.1(f)); and
- (b) the date of acquisition of any assets by a Group Company financed (in whole or in part) by Permitted Debt for a consideration in excess of 5 per cent. of EBITDA of the Group (calculated on a consolidated basis) (simultaneously with the delivery by the Issuer of the Compliance Certificate related the incurrence of such Permitted Debt),

the Issuer shall ensure that:

- (i) each Group Company (other than Group Companies incorporated in an Excluded Jurisdiction or any Group Company that is subject to any legal, statutory (provided that the Issuer shall use commercial reasonable efforts to procure that such statutory restrictions are removed (to the extent such removal is possible and practicable)) or regulatory restrictions that restrict its ability to provide a guarantee or security or otherwise fulfil the obligations of a Material Group Company) which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has EBITDA representing five per cent. or more of EBITDA of the Group (calculated on a consolidated basis); and

- (ii) such Group Companies (other than Group Companies incorporated in an Excluded Jurisdiction or any Group Company that is subject to any legal, statutory (provided that the Issuer shall use commercial reasonable efforts to procure that such statutory restrictions are removed (to the extent such removal is possible and practicable)) or regulatory restrictions that restrict its ability to provide a guarantee or security or otherwise fulfil the obligations of a Material Group Company) as are necessary to ensure that the Material Group Companies (calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any Group Company) in aggregate account for at least 85 per cent. of EBITDA of the Group (calculated on a consolidated basis but excluding any Group Company incorporated in an Excluded Jurisdiction),

in each case, determined by reference to the most recent annual consolidated financial statements of the Group, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto.

### **13.16 Additional Security over Material Group Companies**

The Issuer shall procure that (subject to applicable financial assistance and/or corporate benefit limitations) Security Documents purporting to create Transaction Security over the shares in each Material Group Company is entered into by the relevant pledgor as soon as reasonably practicable however no later than 120 days after the nomination of each Material Group Company (or after the date on which it should have been nominated) in accordance with Clause 13.15 (*Nomination of Material Group Companies*) above and in connection therewith provide to the Agent and the Security Agent:

- (a) constitutional documents and corporate resolutions (approving the relevant Security Document and authorising a signatory/-ies to execute that Security Document) for the relevant security provider and each other party to that Security Document (other than the Agent);
- (b) copies of the relevant Security Documents;
- (c) evidence that the relevant Transaction Security either has been or will be perfected in accordance with the terms of the relevant Security Document;
- (d) any legal opinion on the capacity in respect of any member of the Group being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably); and
- (e) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably).

### 13.17 Additional Guarantors

The Issuer shall procure that (subject to applicable financial assistance, corporate benefit limitations and/or applicable SAFE regulation restrictions) each Material Group Company (other than (i) any Material Group Company restricted and/or legally unable to become a Guarantor, or (ii) any Material Group Company incorporated in the US, unless the US HoldCo Intercreditor Agreement has been terminated), including, for the avoidance of doubt, Scan (Jersey) TopCo Ltd and Scan (UK) Midco Ltd, accedes to the Guarantee and Adherence Agreement as soon as practically possible however no later than 120 days after its nomination (or when it should have been nominated) in accordance with Clause 13.15 (*Nomination of Material Group Companies*) above and in connection therewith provides to the Agent and the Security Agent:

- (a) duly executed accession letters to the Guarantee and Adherence Agreement;
- (b) duly executed accession letters to the Intercreditor Agreement(s);
- (c) duly executed copies of the Security Documents (in respect of the equity interest in such Material Group Company and/or any Material Intercompany Loan granted by such Material Group Company (as applicable)) or, upon the occurrence of the Replacement Event, and in respect of any Material Group Company that is a member of the US HoldCo Group, any security document substantially in the form provided to the creditors in respect of the Working Capital Facilities provided to the US HoldCo;
- (d) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for it and each other party to a Finance Document (other than the Agent);
- (e) any legal opinion on capacity of any Material Group Company unless any such Material Group Company is incorporated in Sweden, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably); and
- (f) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably).

### 13.18 Additional Security Material Intercompany Loans

- (a) The Issuer shall procure that (subject to applicable financial assistance and/or corporate benefit limitations) upon the Issuer granting a Material Intercompany Loan to a Material Group Company, a pledge is granted over that Material Intercompany Loan as security for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Agent:
  - (i) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the Issuer, and each other party to that Security Document (other than the Agent);

- (ii) a legal opinion on the capacity in respect of any member of the Group being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably); and
  - (iii) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law, issued by a reputable law firm in form and substance satisfactory to the Agent (acting reasonably).
- (b) Provided that no Event of Default has occurred and is continuing (A) payment of principal under the Material Intercompany Loans made for the purpose of making payments under the Bonds and (B) payment of interest under the Material Intercompany Loans shall be permitted.

### **13.19 Conditions Subsequent**

The Issuer does not comply with Clause 4.2 (*Conditions Subsequent*).

## **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

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

### **14.2 Other Obligations**

A party (other than the Agent) does not comply with the Finance Documents or the terms and conditions of any Temporary Bonds, in any other way than as set out under Clause 14.1 (*Non-Payment*) or due to a Listing Failure Event, provided that the Issuer or the relevant party has not remedied the failure within 20 Business Days from the Agent's request of remedy and the relevant party becoming aware of the non-compliance, such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

### **14.3 Cross payment default and Cross-acceleration**

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 14.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

#### **14.4 Insolvency**

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

#### **14.5 Insolvency Proceedings**

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

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

#### **14.6 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 5,000,000 and is not discharged within 60 days.

#### **14.7 Mergers and demergers**

A decision is made that any Material Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and the Issuer may not be demerged.

#### **14.8 Impossibility or Illegality**

It is or becomes impossible or unlawful for any party (other than the Agent) to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.



## 14.9 Continuation of the Business

The Issuer any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

## 14.10 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreements, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.10(e), 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.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five 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 Clause 14.10(e) below 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 consider whether an occurred event constitutes an Event of Default.
- (d) The Agent shall, within 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 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (e) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as 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.
- (f) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- (g) Subject to the Intercreditor Agreements, in the event of an acceleration of the Bonds in accordance with this Clause 14.10, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## **15. Distribution of Proceeds**

### **15.1 Distribution of Proceeds from Guarantees and Transaction Security other than US Transaction Security**

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security (other than the US Transaction Security) or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement).
- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.2(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.2(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security (other than the US Transaction Security) or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreements (other than the US HoldCo Intercreditor Agreement).

### **15.2 Distribution of Proceeds relating to US Transaction Security**

- (a) Any proceeds received from an enforcement of the US Transaction Security shall, subject to the provisions of the US HoldCo Intercreditor Agreement, be distributed in the following order of priority:
  - (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent and the Security Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the US Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent and the Security Agent, (iii) any costs incurred by the Agent and the Security Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 22.2(g), and (iv) any costs and expenses incurred by the Agent and Security Agent in relation to a Bondholders'

Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(f);

- (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

### **15.3 Payments**

If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption*) or Clause 13.7 (*Disposal of Assets*) due but not made, the Record Date specified in Clauses 9.4(a), 9.4(b) or 13.7 (as applicable) shall apply.

### **16. Decisions by Bondholders**

- (a) 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.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:

- (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given; or
  - (ii) the suggested decision is not in accordance with applicable regulations.
- (d) Only a Person who is, or 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 Person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Record Date specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of "Adjusted Nominal Amount".
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 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 18(c):
- (i) 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 EUR 1,150,000,000 (for the avoidance of doubt, for which consent shall be required on each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(g) to 2(i);
  - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate (other than as a result of an application of Clause 21 (*Replacement of Base Rate*)) or the Nominal Amount;
  - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;

- (viii) 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;
  - (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement (as applicable);
  - (x) a mandatory exchange of the Bonds for other securities; and
  - (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 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 18(c). 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 20(a)(i) or 20(a)(ii)), an acceleration of the Bonds or the enforcement of any Transaction Security or Guarantees.
- (g) Neither a Bondholders' Meeting nor a Written Procedure can resolve that any overdue payment of any instalment shall be reduced unless there is a *pro rata* reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (h) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (a) 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 paragraph (a) of Clause 17 (*Bondholders' Meeting*)) or initiate a second Written Procedure (in accordance with paragraph (a) of Clause 18 (*Written Procedure*)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure

for Bondholders' consent. The quorum requirement in paragraph (h) above shall not apply to such second Bondholders' Meeting or Written Procedure.

- (b) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (c) 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.
- (d) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (e) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (f) 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.
- (g) If a decision shall 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, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (h) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that votes at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (i) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Group

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.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 22.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) a form of power of attorney, (v) any applicable conditions precedent and conditions subsequent, (vi) the reasons for, and contents of, each proposal, (vii) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment, (viii) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement and (ix) information on where additional information (if any) will be published. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the notice.
- (e) 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.

## **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, (v) any applicable conditions precedent and conditions subsequent, (vi) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment, (vii) if the voting is to be made electronically, the instructions for such voting, (viii) information on where additional information (if any) will be published and (ix) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.
- (e) 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).

## 19. Temporary Bonds

- (a) For the purpose of Clauses 16 (*Decisions by Bondholders*) to, and including, 18 (*Written Procedure*) above and until the occurrence of the Closing Date, any reference to:
  - (i) "Adjusted Nominal Amount" shall be construed as to include the Adjusted Nominal Amount of the Temporary Bonds;
  - (ii) "Bondholders" shall be construed as to include any holder of Temporary Bonds; and
  - (iii) "Bonds" shall be construed as to include the Temporary Bonds.
- (b) The Agent and any representative of any holders of Temporary Bonds shall conduct the voting procedures laid out in these Terms and Conditions with respect to Bonds and the Temporary Bonds and have the right to share the results from such procedures with each other. The Agent shall, based on such results, determine the decision of the Bondholders (including the holders of Temporary Bonds).



## 20. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*); or
  - (iv) is made pursuant to Clause 21 (*Replacement of Base Rate*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) 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.

## 21. Replacement of Base Rate

### 21.1 General

- (a) Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 21 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.
- (b) If a Base Rate Event has occurred, this Clause 21 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of EURIBOR.

## 21.2 Definitions

In this Clause 21:

**"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 21.3(d).

**"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 Paying 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 any entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in paragraph (b) above; or

- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in paragraphs (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 paragraphs (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 Board 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) above, 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.

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

- (a) Without prejudice to paragraph (b) below, 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 paragraph (b) below.
- (b) 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.
- (c) If the Issuer fails to appoint an Independent Adviser in accordance with paragraph (b) above, 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 paragraph (b) above. If an Event of Default has occurred and is continuing, or if the Issuer fails

to carry out any other actions set forth in Clauses 21.3 to 21.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.

- (d) 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**").
- (e) 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.

#### **21.4 Interim measures**

- (a) 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:
  - (i) 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
  - (ii) 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.
- (b) For the avoidance of doubt, paragraph (a) above 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 21. This will however not limit the application of paragraph (a) above for any subsequent Interest Periods, should all relevant actions provided in this Clause 21 have been taken, but without success.

#### **21.5 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 Paying Agent and the Bondholders in accordance with Clause 27 (*Notices 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.

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

- (a) No later than giving the Agent notice pursuant to Clause 21.5, 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 21.3(c)) 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 21. 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 Paying Agent and the Bondholders.
- (b) Subject to receipt by the Agent of the certificate referred to in paragraph (a) above, 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 21.
- (c) The Agent and the Paying Agent shall always be entitled to consult with external experts prior to amendments are affected pursuant to this Clause 21. Neither the Agent nor the Paying Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Paying 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 Paying Agent in the Finance Documents.

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

Any Independent Adviser appointed pursuant to Clause 21.3 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.

## **22. Appointment and Replacement of the Agent and the Security Agent**

### **22.1 Appointment of Agent and the Security Agent**

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security 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 any legal or arbitration proceeding

relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and

- (ii) confirms the appointment under the Intercreditor Agreements of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreements.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 22.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security 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.
- (g) Each of the Agent and the Security Agent is appointed as agent and representative (Dk. *fuldmægtig og repræsentant*) for the Bondholders pursuant to Section 18(2) cf. Section 1(2) of the Danish Capital Markets Act (Dk. *kapitalmarkedsloven*) (as amended, supplemented and/or replaced from time to time) under and in connection with the Bonds. The Agent shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital Markets Act and the Issuer and the Agent shall provide all information and

documents required by the Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) for registration in the Danish Financial Supervisory Authority's register of Representatives (Dk. *Finanstilsynets register over repræsentanter for obligationsudstedelser*).

- (h) The Agent may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

## **22.2 Duties of the Agent and the Security Agent**

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the

interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.

- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) 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.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 22.2(i).

### **22.3 Limited liability for the Agent and the Security Agent**

- (a) Neither the Agent nor the Security Agent will 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. Neither the Agent nor the Security Agent shall be responsible for indirect loss.



- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security 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.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

#### **22.4 Replacement of the Agent and the Security Agent**

- (a) Subject to Clause 22.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 22.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). 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

and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.

- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security 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 and/or the Security Agent (as applicable). 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 and/or the Security Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

### **23. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may 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. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorized as a central securities depository in accordance with any applicable securities legislation.

### **24. Appointment and Replacement of the Paying Agent**

- (a) The Issuer appoints the Paying Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Paying Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is Insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.

### **25. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 25(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 22.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 22.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2(k) before a Bondholder may take any action referred to in Clause 25(a).

- (c) The provisions of Clause 25(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 26. Prescription

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

## 27. Notices and Press Releases

### 27.1 Notices

- (a) Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD. Any such notice or communication will be deemed to be given or made via the CSD when sent from the CSD.
- (b) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Danish Business Authority (*Da. Erhvervsstyrelsen*) on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, 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 Group and the Agent.

- (c) Unless otherwise specifically provided, 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:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in paragraph (b) above;
  - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in paragraph (b) above; or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (d) 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:
  - (i) a cover letter, which shall include:
    - (A) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
    - (B) details of where Bondholders can retrieve additional information;
    - (C) contact details to the Agent; and
    - (D) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
  - (ii) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents.
- (e) 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.

## 27.2 Press releases

- (a) 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 (*Voluntary partial redemption*), 11.1(d), 14.10(c), 16(i), 17(a), 18(a), 20(c) and 21.5 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 27.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give

the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## **28. Force Majeure and Limitation of Liability**

- (a) None of the Agent, the Security Agent or the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- (b) The Paying Agent shall have no liability to the Bondholders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

## **29. Governing Law and Jurisdiction**

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (Sw. *Stockholms tingsrätt*).

## SCHEDULE 1

**Intercreditor Term Sheet**

THIS DOCUMENT IS FOR INFORMATION PURPOSES ONLY. IT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR INVEST IN SECURITIES AND MAY NOT BE DISTRIBUTED TO ANY INVESTOR OR REPRESENTATIVE OF INVESTOR LOCATED IN ANY JURISDICTION WHERE IT MAY BE IN BREACH OF LOCAL LAW OR REGULATION TO DO SO.

FURTHER, THIS DOCUMENT IS NOT FOR DISTRIBUTION IN OR INTO UNITED STATES, CANADA, AUSTRALIA, HONGKONG, ITALY, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, THE REPUBLIC OF CYPRUS, THE UNITED KINGDOM OR JAPAN. THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES AND THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN UNITED STATES, CANADA, AUSTRALIA, HONGKONG, ITALY, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, THE REPUBLIC OF CYPRUS, THE UNITED KINGDOM OR JAPAN.

**INTERCREDITOR TERM SHEET**

relating to

**Senior Secured Bonds with ISIN NO0012826033**

and

**Super senior revolving facility agreement**

*This intercreditor term sheet (this "ICA Term Sheet") should be read together with the term sheet for the Bonds (the "Bond Term Sheet") (the "Bonds").*

*Unless otherwise defined in this ICA Term Sheet, terms defined in the terms and conditions for the Bonds, which terms are the same as the ones defined in the Bond Term Sheet, shall have the same meanings when used in this ICA Term Sheet.*

- Original Parties:** To establish the relative rights of creditors under various financing arrangements, the Intercreditor Agreement will be entered into by:
1. the Issuer and the entities being Guarantors and/or providers of Transaction Security on the date of the Intercreditor Agreement;
  2. any Subordinated Creditor (as defined below);
  3. any Super Senior RCF Creditor (as defined below);
  4. any Hedge Counterparty (as defined below);
  5. [Nordic Trustee & Agency AB (publ)] as bonds agent (the "**Original Bonds Agent**");
  6. any Second Lien Debt Agent (as defined below);
  7. [●] acting as security agent (on behalf of the Secured Parties) (the "**Original Security Agent**").

- Acceding Parties:** Each of the following Person(s) shall accede to the Intercreditor Agreement (without being required to obtain any prior consent from any other party to the Intercreditor Agreement):
- (a) any party providing and any Group Company incurring Subordinated Loans;
  - (b) any Person becoming a Guarantor under the Guarantee and Adherence Agreement (as defined therein);
  - (c) any Person providing Transaction Security;
  - (d) a Person providing refinancing of the Super Senior Debt or the Senior Debt or assuming rights or obligations with respect to, any of the Secured Obligations (or a representative or agent representing such Persons);
  - (e) a Person providing New Debt (or a representative or agent representing such Persons); or
  - (f) Person providing Second Lien Debt (or a representative or agent representing such Persons).

**Background:** The Security provided for the benefit of the Secured Parties will (to the extent permitted by applicable law and practically possible) be a single Security package which will be held pursuant to Swedish and other relevant laws and the Intercreditor Agreement. The Security Agent will be appointed as initial security agent to hold the Security on behalf of each of the Secured Parties.

The waterfall arrangements in the Intercreditor Agreement will reflect the ranking of the liabilities owed by the ICA Group Companies to the Secured Parties, as set out in this ICA Term Sheet.

The Intercreditor Agreement will incorporate, amongst others, the principles set out in the following paragraphs.



**Definitions:**

**"Bonds Agent"** means (i) the Original Bonds Agent or (ii) a new agent replacing the Original Bonds Agent in accordance with the Terms and Conditions.

**"Conflicting Enforcement Instructions"** means instructions (or proposed instructions) as to enforcement of the Transaction Security or the taking of any Enforcement Action delivered to the Security Agent by a Representative that are inconsistent with any other instructions given as to the manner of enforcement (including any inconsistency as to the timeframe for realising value from an Enforcement Action in respect of the Transaction Security or the Guarantees or a distressed disposal), it being understood that, for the purpose of triggering the consultation requirements under paragraph (b)(ii) under Section "Enforcement" only and not for any other purpose (including, without limitation, determining the Instructing Party), the failure to give instructions by either the Super Senior Representative or Senior Representative will be deemed to be an instruction inconsistent with any other instructions given.

**"Collective Majority Senior Creditors"** means the Senior Creditors representing a majority of the Senior Debt under the Senior Debt Documents, based on the Senior Creditors under any Senior Debt Documents voting as one creditor class.

**"Debt"** means any indebtedness under or in connection with the Senior Debt, the Second Lien Debt, the Super Senior Debt (including in each case any replacement debt referred to in "Replacement of debt" below), any New Debt, the Subordinated Loans and the Intercompany Debt.

**"Enforcement Action"** means any action of any kind to:

- (a) declare prematurely due and payable or otherwise seek to accelerate payment of or place a demand on all or any part of any Debt (notwithstanding whether such Debt has fallen due or not) or Guarantee (other than as a result of it becoming unlawful for a Secured Party to perform its obligations under, or of any voluntary or mandatory prepayment under, the Senior Finance Documents);
- (b) recover all or any part of any Debt (including by exercising any set-off, save as required by law and normal netting and set-off transactions in the ordinary course of business);
- (c) exercise or enforce any enforcement right under the Transaction Security, in each case granted in relation to (or given in support of) all or any part of any Debt;
- (d) petition for (or take or support any other step which may lead to) an Insolvency Event;
- (e) sue, claim or bring proceedings against the Issuer, any Guarantor or any ICA Group Company in respect of recovering any Debt; or

- (f) in relation to any Hedging Obligation only, designate an Early Termination Date (as defined in the relevant Hedging Agreement) under any Hedging Agreement, or terminate, or close out any transaction under, any Hedging Agreements, prior to its stated maturity, or demand payment of any amount which would become payable on or following an Early Termination Date (as defined in the relevant Hedging Agreement) or any such termination or close-out, unless voluntary or in accordance with a partial termination in accordance with the terms of the Senior Finance Documents and not related to any default.

**"Enforcement Instructions"** means instructions to take Enforcement Action(s) (including the manner and timing of enforcement) given by a Representative to the Security Agent provided that instructions not to undertake enforcement or an absence of instructions as to the effectuation of enforcement shall not constitute "Enforcement Instructions".

**"Facility Agent"** means any agent or representative of a Super Senior RCF Creditor or any agent or representative replacing the any facility agent in connection with a replacement of any Super Senior RCF in accordance with the Section "Replacement of Debt".

**"Finance Documents"** has the meaning given to such term in the Terms and Conditions.

**"Final Discharge Date"** means the date when all principal, interest and any other costs or outstanding amounts under the Senior Finance Documents and the Second Lien Debt Documents have been irrevocably discharged in full and all commitments of the Secured Parties under the Senior Finance Documents and the Second Lien Debt Documents have expired, been cancelled or terminated.

**"Group"** means the Issuer and its subsidiaries from time to time.

**"Group Company"** means any member of the Group.

**"Guarantee"** means the guarantees provided under the Guarantee and Adherence Agreement to the Secured Parties.

**"Guarantee and Adherence Agreement"** means the guarantee and adherence agreement originally dated [●] (as amended and/or amended and restated from time to time) with respect to guaranteeing any Senior Debt, any Second Lien Debt and any Super Senior Debt (from time to time).

**"Hedge Counterparty"** means any person who is or becomes a hedge counterparty pursuant to any Hedging Agreement and that has acceded to the Intercreditor Agreement as a Hedge Counterparty in accordance with the terms of the Intercreditor Agreement.

**"Hedging Agreement"** means any and all currency or interest swaps and/or interest cap and/or hedging agreements entered

into or to be entered into by the Issuer or any other Group Company with any Hedge Counterparty that have acceded to the Intercreditor Agreement.

**"Hedging Obligations"** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by any Group Company to any Hedge Counterparty under or in connection with any Hedging Agreement.

**"ICA Group Companies"** means each Guarantor and any entity which has acceded to the Intercreditor Agreement as an ICA Group Company in accordance with the terms of the Intercreditor Agreement.

**"Insolvency Event"** means:

- (a) any Group Company or any Transaction Security provider is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness;
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company or any Transaction Security provider;
- (c) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration or reorganisation of any Group Company or any Transaction Security provider;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any Group Company or any Transaction Security provider; or
  - (iii) the appointment of a liquidator, trustee in bankruptcy, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company, any Transaction Security provider or any of its respective assets; or

any analogous procedure or step is taken in any jurisdiction other than:

- (i) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement; or
- (ii) in relation to Group Companies or Transaction Security providers (other than the Issuer), solvent liquidations

that are permitted under the Senior Finance Documents and the Second Lien Debt Documents.

**"Intercompany Debt"** means any loan made or credit granted by an ICA Group Company to any Group Company or any loan made or credit granted to an ICA Group Company from any Group Company (other than loans that are subject to Transaction Security).

**"Instructing Party"** means the Senior Representative or, following replacement in accordance with paragraph (b)(v) under Section "Enforcement", the Super Senior Representative.

**"Major Obligations"** an obligation with respect to any Obligor or any Group Company pursuant to any negative pledge undertaking or restriction on financial indebtedness, disposals, loans out or holding company activities under any Super Senior RCF.

**"New Debt"** means Financial Indebtedness which in accordance with the Senior Finance Documents is permitted to rank *pari passu* with the Senior Debt and benefit from the Transaction Security provided that (a) the creditors (or a representative or agent representing such creditors) under such debt has acceded to the Intercreditor Agreement or (b) such creditors (or where a representative or agent representing such creditors) are original parties to the Intercreditor Agreement.

**"New Debt Documents"** means each document or instrument between any Group Company and a New Debt Creditor setting out the terms of any credit which creates or evidences New Debt.

**"New Debt Creditors"** means each creditor under and as defined in the relevant New Debt Documents (or a representative or agent representing such creditors).

**"Payment Block Event"** means when the Super Senior Representative serves a written notice to the Issuer, the Security Agent, the Bonds Agent, each Second Lien Debt Agent and any New Debt Creditor(s) (or any of their respective representative or agent) that an event of default (for the avoidance of doubt, after the expiry of any applicable grace period in respect of the default giving rise to the event of default) relating to:

- (a) a non payment;
- (b) a breach of financial covenants;
- (c) non-compliance with any of the Major Obligations;
- (d) a cross default;
- (e) insolvency;
- (f) insolvency proceedings;
- (g) creditors' process;

(h) impossibility or illegality; or

(i) cession of business,

under the Super Senior RCF has occurred or the Super Senior Representative serves a written notice of acceleration to the Issuer, the Security Agent, the Bonds Agent, each Second Lien Debt Agent and any New Debt Creditor(s) (or its/their representative/agent).

**"Representatives"** means the Super Senior Representative and the Senior Representative.

**"Second Lien Debt"** means any debt ranking *pari passu* with the Senior Bonds but which holds a second ranking priority interest in the Transaction Security in accordance with the terms of the Intercreditor Agreement.

**"Second Lien Debt Agent"** means (i) any entity being agent (however described) under any Second Lien Debt Documents, or (ii) any new agent replacing any such agent in accordance with terms of the relevant Second Lien Debt Documents.

**"Second Lien Debt Creditor"** means any creditor (however described) under any Second Lien Debt Documents.

**"Second Lien Debt Documents"** has the meaning given to the term "Finance Documents" (or any equivalent term) in any terms and conditions and/or agreement applicable to any Second Lien Debt.

**"Secured Obligations"** means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Senior Finance Documents and the Second Lien Debt Documents.

**"Secured Parties"** means the creditors under the Senior Finance Documents and the Second Lien Debt Documents but only if such creditor (or, in the case of a Bondholder, its Representative) is a Party or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to the terms of the Intercreditor Agreement, the Bonds Agent, each Second Lien Debt Agent, any Facility Agent and the Security Agent.

**"Security Agent"** means (i) the Original Security Agent or (ii) any new agent replacing the Original Security Agent as security agent in accordance with the relevant clause in the Intercreditor Agreement.

**"Security Enforcement Objective"** means maximising, insofar as is consistent with prompt and expeditious realisation of value from enforcement of the Transaction Security and the Guarantees, the recovery by the Secured Parties, always provided that such enforcement is made in compliance with the fiduciary duties of the Security Agent and the Secured Parties.

**"Senior Bonds"** means the EUR [750],000,000 senior secured bonds with ISIN NO0012826033 issued by the Issuer.

**"Senior Creditor"** means the Bondholders, the Bonds Agent and any New Debt Creditor being a party to the Intercreditor Agreement or which has acceded to the Intercreditor Agreement as a Senior Creditor.

**"Senior Debt"** means all indebtedness outstanding under the Senior Debt Documents.

**"Senior Debt Documents"** means (i) the Finance Documents, and (ii) any New Debt.

**"Senior Finance Documents"** means the Senior Debt Documents, the Super Senior RCF Documents and any the Hedging Agreements and any New Debt Documents.

**"Senior Representative"** means, at any time, the representative of the Senior Creditors appointed in accordance with Section "Voting provisions for Senior Creditors" below.

**"Subordinated Creditor"** means any third party, including any direct or indirect shareholder of the Issuer (for the avoidance of doubt not including any Secured Party or any ICA Group Company) in its capacity as creditor in respect of Subordinated Loans.

**"Subordinated Loans"** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by a Group Company to any Subordinated Creditor and any dividends and any advisory, monitoring or management fee.

**"Super Senior Creditors"** means the Super Senior RCF Creditors and the Hedge Counterparty.

**"Super Senior Credit Participation"** means, in relation to a Super Senior RCF Creditor or a Hedge Counterparty the aggregate of:

- (a) its aggregate commitment under the Super Senior RCF, if any;
- (b) in respect of any hedging transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of the Intercreditor Agreement, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement) and to the extent it is a Hedging Obligation; and
- (c) after the Super Senior RCF Discharge Date only, in respect of any hedging transaction of that Hedge Counterparty

under any Hedging Agreement to the extent it constitutes a Hedging Obligation that has, as of the date the calculation is made, not been terminated or closed out:

- (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or
- (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

**"Super Senior Debt"** means all indebtedness to the Super Senior Creditors outstanding under the Super Senior RCF Documents and the Hedging Agreements.

**"Super Senior Discharge Date"** means the date when all principal, interest and any other costs or outstanding amounts under the Super Senior Debt have been irrevocably discharged in full and all commitments of the Super Senior RCF Creditor under the Super Senior RCF Documents have expired, been cancelled or terminated.

**"Super Senior Representative"** the Facility Agent acting on the instructions of and on behalf of the Super Senior Creditors whose Super Senior Credit Participations at that time aggregate more than 50.00 per cent. of the total Super Senior Credit Participations at that time.

**"Super Senior RCF"** means any working capital facility agreement or similar agreement providing financing for general corporate purposes of the Group between any Group Company and a Super Senior RCF Creditor or any such working capital

facility agreement or similar agreement replacing a super senior RCF in accordance with the Section "Replacement of Debt".

**"Super Senior RCF Creditor"** means any person who is or becomes a lender under a Super Senior RCF.

**"Super Senior RCF Discharge Date"** means the date when all principal, interest and any other costs or outstanding amounts under the Super Senior RCF have been irrevocably discharged in full and all commitments of the Super Senior RCF Creditor under the Super Senior RCF Documents have expired, been cancelled or terminated.

**"Super Senior RCF Documents"** means (i) the Super Senior RCF, (ii) the Intercreditor Agreement, (iii) the Guarantee and Adherence Agreement and (iv) the Security Documents.

**"Terms and Conditions"** means the terms and conditions of the Senior Bonds entered into between the Issuer and the Original Bonds Agent.

**"Transaction Security"** means the Security provided to the Secured Parties under the Security Documents.

**"Triggering Event"** means the occurrence of an event of default (however described) under any Senior Finance Document.

**Ranking and priority:**

Each of the parties to the Intercreditor Agreement will agree that the Secured Obligations owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall rank in respect of proceeds in right and priority following an application of an Enforcement Action in the following order:

- (a) *first*, the Super Senior Debt (*pari passu* between all indebtedness under the Super Senior RCF and the Hedging Obligations);
- (b) *secondly*, the Senior Debt (*pari passu* between all indebtedness under the Senior Debt Documents);
- (c) *thirdly*, the *Second Lien Debt* (*pari passu* between all indebtedness under the Second Lien Debt Documents);
- (d) *fourthly*, any liabilities raised in the form of Intercompany Debt; and
- (e) *fifthly*, any liabilities raised in the form of Subordinated Loans.



(i) Any security granted under a proceeds account pledge agreement or similar arrangement whereby the proceeds from the Senior Bonds, the Second Lien Debt, any New Debt or other Debt are paid pending satisfaction of certain conditions for its disbursement, and (ii) any stand-alone guarantee granted by a person not being a Group Company for any New Debt or other Debt incurred but which proceeds are standing on a proceeds account or similar pending satisfaction of certain conditions for its disbursement, shall not be subject to this Intercreditor Agreement and hence only secure or guarantee (as applicable) the liabilities and obligations owed towards the creditors having disbursed such debt.

**Sharing of Transaction Security and Guarantees with Second Lien Debt:**

A Group Company or any third party may grant Security and guarantees for Second Lien Debt to a Second Lien Debt Creditor provided that:

- (a) (i) the Second Lien Debt shares in the Transaction Security and the Guarantees, and/or (ii) such Security and guarantees which are not Transaction Security or Guarantees are granted also to the Secured Parties (including the Second Lien Debt Creditor), in each case to be shared between the Senior Creditors, the Super Senior Creditors and the Second Lien Debt Creditors as set forth in the Intercreditor Agreement; and
- (b) the Second Lien Debt Creditors (or the Second Lien Debt Agent on their behalf) shall accede to the Intercreditor Agreement as a Second Lien Creditor and the Second Lien Debt shall rank as Second Lien Debt pursuant to the terms of the Intercreditor Agreement;

Any Security and guarantee granted shall constitute Transaction Security and any documents regarding such Security or guarantee shall constitute a Security Document or a Guarantee and Adherence Agreement, as the case may be.

**Sharing of Transaction Security and Guarantees with New Debt:**

A Group Company or any third party may grant Security and guarantees for New Debt to a New Debt Creditor provided that:

- (a) (i) the New Debt shares in the Transaction Security and the Guarantees, and/or (ii) such Security and guarantees which are not Transaction Security or Guarantees are granted also to the Secured Parties (including the New Debt Creditor), in each case to be shared between the Senior Creditors, the Second Lien Creditors and the Super Senior Creditors as set forth in the Intercreditor Agreement; and
- (b) the New Debt Creditor shall be an original party to the Intercreditor Agreement or accede to the Intercreditor Agreement as a Senior Creditor and the New Debt shall rank as Senior Debt pursuant to the terms of the Intercreditor Agreement;

Any Security and guarantee granted shall constitute Transaction Security and any documents regarding such Security or guarantee shall constitute a Security Document or a Guarantee and Adherence Agreement, as the case may be.

**Hedging arrangements:**

The Intercreditor Agreement will contain customary provisions regarding the hedging arrangements and the rights and obligations of the Hedge Counterparties, including without limitation (i) certain qualification requirements for Hedge Counterparties, (ii) any hedging agreement to be based on the 1992 or 2002 ISDA Master Agreement, and (iii) restrictions on over-hedging relating to interest. Neither (i) the aggregate of the notional amounts of any interest rate hedging under the Hedging Agreements, or (ii) the aggregate of the notional amounts of any exchange rate hedging under the Hedging Agreements, may at any time exceed the aggregate amount outstanding under the Senior Finance Documents.

**Subordination of Intercompany Debt and restrictions on intercompany debt subject to Transaction Security:**

Any Intercompany Debt shall be subordinated to the Secured Obligations (including with respect to maturity).

The Intercreditor Agreement shall include provisions for turnover of payments received under any Intercompany Debt in conflict with this ICA Term Sheet which will be set out in the full Intercreditor Agreement.

Repayment of principal and payment of interest on Intercompany Debt shall be allowed for as long as no Triggering Event is continuing.

Payment of interest, but not repayment of principal, on intercompany loans subject to Transaction Security shall be allowed provided that no Triggering Event is continuing.

Notwithstanding the above, payment of principal and interest on Intercompany Debt and intercompany loans subject to Transaction Security shall always be permitted if made for the purpose of servicing Debt to the Secured Parties and such payment is made directly to the Secured Parties (represented by the Security Agent) for repayment of principal or payment of interest on such Debt owed to the Secured Parties.

**Subordination of Subordinated Loans:**

Any Subordinated Loans shall be subordinated to the Secured Obligations and any repayment of, or payment of interest under, any Subordinated Loan shall be subject to all Secured Obligations having been discharged in full (other than as permitted by the Senior Finance Documents and the Second Lien Debt Documents).

The Intercreditor Agreement shall include provisions for turnover of payments received under any Subordinated Loan in conflict with the terms of the Intercreditor Agreement.

The Subordinated Creditors shall (i) not consent to or receive any repayment of, or payment of interest under, any Subordinated Loan (unless the payment is permitted under the

Senior Finance Documents and the Second Lien Debt Documents), (ii) not propose or consent to amendment of terms of any Subordinated Loan (unless such amendment are not prejudicial to the Secured Parties and (iii) ensure that any Subordinated Loan remains fully subordinated to the Secured Obligations.

**Payment Block:**

Following a Payment Block Event and for as long as such is continuing and until the earlier of (i) the taking of Enforcement Actions in accordance with the Intercreditor Agreement and (ii) a written notice from Super Senior Representative to the Security Agent to the contrary, no payments of principal or interest shall in respect of (i) the Senior Debt, be made to the Senior Creditors, and (ii) the Second Lien Debt, to be made to the Second Lien Creditors (in each case notwithstanding any other provisions to the contrary herein). However, interest shall continue to accrue during such period and any overdue amounts shall carry default interest pursuant to the Senior Finance Documents, the New Debt Documents and the Second Lien Debt Documents. For the avoidance of doubt, the failure to repay principal or pay interest on a due date shall constitute an event of default (however described) under any Senior Finance Documents, the New Debt Documents or any Second Lien Debt Documents.

Upon the occurrence of a Payment Block Event, any amounts paid under the Senior Debt and/or the Second Lien Debt (despite the Payment Block) shall be applied in accordance with the Section "Application of Enforcement Proceeds".

**Release of Transaction Security and Guarantees - General:**

The Security Agent may at any time, acting in its sole discretion, release the Transaction Security and the Guarantees in accordance with the terms of the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement in connection with any transaction which is permitted under the Senior Finance Documents and the Second Lien Debt Documents or otherwise approved by the Secured Parties. For the avoidance of doubt any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the Secured Parties of the remaining Transaction Security and Guarantees and/or the ranking and priority between the Secured Parties as specified by the Intercreditor Agreement.

**Intra-group restructuring:**

Subject to the terms of the Senior Finance Documents and the Second Lien Debt Documents, a Group Company shall provided that no Triggering Event is continuing be entitled to make disposals of shares in a Group Company that is subject to Transaction Security (a "**Share Disposal**") or intercompany loan that is subject to Transaction Security (a "**Loan Disposal**") to another Group Company (provided that if the disposing Group Company is a Material Group Company the acquiring Group Company shall be a Material Group Company) or to merge with

another Group Company (provided that if the transferor Group Company is a Material Group Company the transferee Group Company shall be a Material Group Company), provided that:

- (a) in case of a Share Disposal, the transfer shall be made subject to the Security over such shares and the Issuer shall procure that the acquiring Group Company shall enter into any agreements, execute any documents and take all actions requested by the Security Agent (acting reasonably) for the purpose of maintaining Security over such shares;
- (b) in case of a Loan Disposal, the transfer shall be made subject to the Transaction Security over such intercompany loan and the Issuer shall procure that the acquiring Group Company and/or the debtor under such intercompany loan shall enter into any agreements, execute any documents and take all actions requested by the Security Agent for the purpose of maintaining the Transaction Security over such intercompany loan; and
- (c) in case of a merger, it is permitted by the Senior Finance Documents and the Second Lien Debt Documents (where, for the avoidance of doubt, the Issuer may not be a transferor Group Company).

**Replacement of debt:**

The Issuer shall from time to time be entitled to (i) replace any Super Senior RCF in full with one or several new revolving debt facilities for general corporate purposes and/or working capital purposes up to the amount of the Super Senior Headroom (the "**Replacement Super Senior Debt**") and/or (ii) replace any Senior Debt with new bonds or debt (the "**Replacement Senior Debt**"); provided that:

- (a) the Transaction Security shall secure the Replacement Super Senior Debt on the same terms, *mutatis mutandis*, as it secures the previous Super Senior RCF, including the terms of the Intercreditor Agreement;
- (b) the Transaction Security shall secure the Replacement Senior Debt on the same terms, *mutatis mutandis*, as it secures the Senior Debt including the terms of the Intercreditor Agreement;
- (c) the new creditor(s) shall directly or through an agent or another representative be a party to the Security Documents;
- (d) the Security Agent shall hold the Transaction Security on behalf of the new creditors on the same terms, *mutatis mutandis*, as the Transaction Security is held by the Security Agent on behalf of the Secured Parties;
- (e) the new creditor(s) of the Replacement Super Senior Debt shall:

- (i) directly or through an agent or another representative accede to the Intercreditor Agreement as a Super Senior RCF Creditor; and
  - (ii) have the same right to the Transaction Security and any Guarantees and the proceeds pertaining thereto as the previous Super Senior RCF Creditor; and
- (f) the new creditor(s) of the Replacement Senior Debt shall:
- (i) directly or through an agent or another representative accede to the Intercreditor Agreement as a Senior Creditor; and
  - (ii) have the same right to the Transaction Security and any Guarantees and the proceeds pertaining thereto as the previous Senior Creditors.

Provided that the terms set out above are complied with, the Security Agent may from time to time, at the request of the Issuer, amend vary and/or restate the Security Documents and the Guarantee and Adherence Agreement on behalf of itself and the Secured Parties in order to release Transaction Security and/or any Guarantee provided to an existing Secured Party (with the prior consent of such existing Secured Party) and/or to create Transaction Security and/or Guarantees in favour of a new creditor(s).

Following any replacement of debt in accordance with this paragraph

- (a) any reference to the Super Senior RCF and any reference to related finance documents (as applicable) shall instead refer to the Replacement Super Senior Debt and related finance documents (as applicable); and
- (b) any reference to the relevant Senior Debt and any reference to related finance documents (including any relevant Senior Finance Documents) shall instead refer to the debt incurred under the Replacement Senior Debt and related finance documents (as applicable).

**Super Senior Headroom:**

The principal amount under any Super Senior RCF (excluding, for the avoidance of doubt, any hedging liabilities related thereto) may if agreed between the Issuer and the relevant Super Senior Creditor, without the prior consent from the Senior Creditors, provided that such increase is permitted by the Senior Finance Documents and the Second Lien Debt Documents.

**Limitation on Secured Obligations:**

All Transaction Security, Guarantees and subordination shall be subject to applicable customary limitation language.

**Appointment of Security Agent and power of attorney:**

The Secured Parties will appoint and authorise the Security Agent to hold and to act as its agent with respect to the Security Documents, to the extent permitted by applicable law.

Any change of Security Agent shall require the consent of each Senior Creditor (or its representative as applicable), each Second Lien Creditor (or its representative as applicable), the Super Senior Creditors and any New Debt Creditor. Each representative of Senior Debt and/or Second Lien Debt shall be authorised (in its sole discretion) to grant such consent without any approval or consent from the relevant Senior Creditor or Second Lien Creditors it represents (as applicable).

**New Security:**

Any new Security created (and guarantees and indemnities granted) in respect of any Secured Obligation shall be extended to and shared between the Secured Parties on a *pro rata* basis and in accordance with the ranking and priority set forth above.

**Enforcement:**

The Intercreditor Agreement will contain provisions regulating the Secured Parties' respective rights to take Enforcement Actions and to vote and instruct the Security Agent to enforce the Transaction Security, according to the following principles:

**(a) Enforcement Actions and Enforcement Instructions**

- (i) Other than as expressly permitted by the terms of the Intercreditor Agreement, no Secured Party may independently accelerate, seek payment and exercise other rights and powers to take Enforcement Actions under the Senior Finance Documents and/or the Second Lien Debt Documents.
- (ii) The Security Agent may refrain from enforcing the Transaction Security and/or Guarantees or take other Enforcement Actions unless instructed otherwise by the Instructing Party in accordance with paragraph (b) below but always subject to paragraph (a)(iv) below.
- (iii) Subject to the Transaction Security or the Guarantees having become enforceable in accordance with its terms and subject to paragraph (b) below, the Representatives may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit, provided that the instructions are consistent with the Security Enforcement Objective.
- (iv) Notwithstanding anything to the contrary in paragraphs (a) and (b), the Senior Representative may only give an Enforcement Instruction if the proceeds to be received from the proposed Enforcement Actions is expected to amount to or exceed the amount of the Super Senior Debt.

- (v) The Security Agent is entitled to rely on and comply with instructions given in accordance with this paragraph (a).
- (vi) If an Insolvency Event has occurred with respect to a member of the Group, then each Super Senior Creditor shall be entitled to exercise any right they may otherwise have against that member of the Group to accelerate any of that member of the Group's Super Senior Debt or declare such Super Senior Debt prematurely due and payable or payable on demand, make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Super Senior Debt, exercise any right of set-off or take or receive any payment in respect of any Super Senior Debt of that member of the Group or claim and prove in any insolvency process of that member of the Group for the Super Senior Debt owing to it.
- (vii) In relation to any Hedging Obligation only, the Security Agent may not designate an Early Termination Date (as defined in the relevant Hedging Agreement) under any Hedging Agreement, or terminate, or close out any transaction under, any Hedging Agreements, prior to its stated maturity, or demand payment of any amount which would become payable on or following an Early Termination Date (as defined in the relevant Hedging Agreement) or any such termination or close-out, unless voluntary or in accordance with a partial termination not prohibited by the Senior Finance Documents and not related to any default.
- (viii) In the event that no amounts are outstanding under the Senior Finance Documents and all Super Senior Debt, Hedging Obligation and Senior Debt have been irrevocably discharged in full and all commitments under the Senior Finance Documents have expired, been cancelled or terminated, the Second Lien Debt Creditors (or the Second Lien Debt Agent on their behalf) may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit, provided that the instructions are consistent with the Security Enforcement Objective.

**(b) Consultation**

- (i) If either the Super Senior Representative or the Senior Representative wishes to issue Enforcement Instructions in accordance with paragraph (a)(iii) above, such Representative shall deliver a copy of those

proposed Enforcement Instructions (an "**Enforcement Proposal**") to the Security Agent and the Security Agent shall promptly forward such Enforcement Proposal to the other Representative.

- (ii) Subject to paragraph (b)(iii) below, if the Security Agent has received Conflicting Enforcement Instructions, the Security Agent shall promptly notify the Representatives and the Representatives shall consult with each other and the Security Agent (as the case may be) in good faith for a period of not more than 30 days (or such shorter period as the Representatives may agree) (the "**Consultation Period**") from the earlier of (A) the date of the latest of such Conflicting Enforcement Instructions and (B) in case of a failure to give instructions by one of the Representatives, the date falling ten Business Days after the date on which the first Enforcement Instruction was delivered in accordance with paragraph (b)(i) above, with a view to agreeing instructions as to enforcement.
- (iii) The Representatives shall not be obliged to consult (or, in the case of (B) below, shall be obliged to consult for such shorter period as the Instructing Party may determine) in accordance with paragraph (b)(ii) above if:
  - (A) the Transaction Security and/or the Guarantees have become enforceable as a result of an Insolvency Event; or
  - (B) each of the Super Senior Representative and the Senior Representative agree that no Consultation Period is required.
- (iv) Following the expiry of Consultation Period there shall be no further obligation for the Representatives to consult and the Security Agent shall, provided that no joint Enforcement Instructions has been agreed during the Consultation Period (in which case such joint Enforcement Instruction will be applicable), act in accordance with the Enforcement Instructions then received from the Instructing Party and the Instructing Party may issue Enforcement Instructions as to enforcement to the Security Agent at any time thereafter.
- (v) If (A) no Enforcement Action has been taken by the Security Agent within three months from the end of the Consultation Period, or (B) the Super Senior Discharge Date has not occurred within six months from the end of the Consultation Period, then the Super Senior



Representative shall become the Instructing Party and be entitled to give Enforcement Instructions.

(vi) If a Secured Party (acting reasonably) considers that the Security Agent is enforcing the Security in a manner which is not consistent with the Security Enforcement Objective, such Secured Party shall give notice to the other Secured Parties after which the Representatives and the Security Agent shall consult, prior to taking any further enforcement action, for a period of 20 days (or such lesser period that the Secured Parties may agree) with a view to agreeing on the manner of enforcement.

(vii) Notwithstanding the foregoing, following an Insolvency Event in respect of a Group Company or any other provider of Transaction Security, each Secured Party may take the same Enforcement Action as the other Secured Parties in respect of that Group Company or that security provider in order to prove its debt in such insolvency.

(c) **Miscellaneous**

(i) Upon Enforcement Actions in respect of the Transaction Security, the proceeds shall be distributed in accordance with the section "Application of Enforcement Proceeds" set out below.

(ii) Any Enforcement Action required to be taken by the Representative in accordance with agreed Enforcement Instructions pursuant to (b) above, shall be taken by such Representative at the request of the Security Agent.

(iii) All Security and/or Guarantees or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any Enforcement Action provided that the proceeds are distributed in accordance with the provisions set out in the Intercreditor Agreement.

(iv) Funds that the Security Agent receives (directly or indirectly) in connection with an Enforcement Action in respect of the Transaction Security shall constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate account on behalf of the Secured Parties or the Issuer as the case may be. The Security Agent shall promptly arrange for payments to be made in accordance with the application of proceeds set forth in the Intercreditor Agreement.

(v) Nothing herein shall preclude the rights of the Super Senior RCF Creditors, any Senior Creditor or any Second

Lien Creditor to join or intervene in or otherwise support any proceedings arising from insolvency proceedings or do such other things as may be necessary to maintain a claim or Security, always as long as such action does not adversely affect the rights of the other Secured Parties or the Security Agent and is not inconsistent with its obligations contained in the Intercreditor Agreement and any Facility Agent, Second Lien Debt Agent, Bonds Agent and any other representative of Senior Debt shall give prompt notice to the other of any action taken by it to join, intervene or otherwise support any such proceedings.

- (vi) For avoidance of doubt, customary provisions regarding permitted (or required) actions once an Insolvency Event has occurred to be included in the Intercreditor Agreement.

**Voting provisions for Senior Creditors:**

The Intercreditor Agreement will contain voting provisions for the Senior Creditors and appointment of representative for the Senior Creditors to be applied when any Senior Debt is larger than the other Senior Debt outstanding, according to the following:

- (a) The Bonds Agent and any representative of any other Senior Debt or any New Debt Creditors shall conduct the respective voting procedures under the respective debt instruments and any representative of any Senior Debt shall share its result from such procedure with each other representative of Senior Debt. The representatives of Senior Debt shall, based on such results, determine the decision of the Collective Majority Senior Creditors and act as the Senior Representative if not replaced with another representative appointed by the Collective Majority Senior Creditors.
- (b) The representative of the largest Senior Debt shall act as Senior Representative. The Collective Majority Senior Creditors may, if requested by more than 10 per cent. of the Collective Majority Senior Creditors, replace the Senior Representative with a new representative. Such resolution shall be taken with a more than 50 per cent. majority requirement of all Senior Debt and a quorum of at least 20 per cent. of all Senior Debt. The Bonds Agent and the representatives of any other Senior Debt or New Debt shall conduct the respective voting procedures under the respective debt instruments and any representative of any Senior Debt shall share its result from such procedure with each other representative of Senior Debt.

All Senior Debt shall be converted into EUR for the purpose of the voting provisions. The official exchange rates of the European Central Bank on the date of voting shall be used to

determine the size of any Senior Debt for the purpose of the voting provisions.

**Application of Enforcement Proceeds:**

The proceeds of any Enforcement Action shall be paid to the Security Agent for application in the following order:

- (a) *firstly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Security Agent (or its delegate);
- (b) *secondly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by any Group Company to the Issuing Agent, any Facility Agent, any Bonds Agent, any Second Lien Debt Agent and any agent representing creditors of any New Debt;
- (c) *thirdly*, towards payment *pro rata* of accrued interest unpaid under the Super Senior RCF Documents;
- (d) *fourthly*, towards payment *pro rata* of principal under the Super Senior RCF and any other costs or outstanding amounts under the Super Senior RCF Documents, and any close out amount and any other outstanding amounts under the Hedging Obligations;
- (e) *fifthly*, towards payment *pro rata* of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (f) *sixthly*, towards payment *pro rata* of principal under the Senior Debt;
- (g) *seventhly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under any Senior Debt Documents;
- (h) *eighthly*, towards payment *pro rata* of accrued interest unpaid under the Second Lien Debt;
- (i) *ninthly*, towards payment *pro rata* of principal under the Second Lien Debt;
- (j) *tenthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under any Second Lien Debt Documents;
- (k) *eleventhly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intercompany Debt;
- (l) *twelfthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Subordinated Loans; and
- (m) *thirteenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant ICA Group Company or other person entitled to it.

- Turnover:** The Intercreditor Agreement shall include provisions for turnover of funds in the event of any creditor receiving payment in conflict with this ICA Term Sheet which will be set out in the full Intercreditor Agreement, after action has been initiated to enforce the Transaction Security, any Guarantees or other Enforcement Action. The payment waterfall provisions shall apply regardless of any Transaction Security or Guarantees not being (for whatever reason) valid or enforceable in respect of the relevant Secured Party. Any funds payable to the Security Agent under the turnover provisions that have not been paid to the Security Agent shall be considered in the waterfall provisions.
- Exercise of voting rights:**
- (a) Each Secured Party agrees with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any Group Company as instructed by the Security Agent.
  - (b) The Security Agent shall give instructions for the purposes of paragraph (a) above as directed by the Instructing Party.
- Modifications:** Each Secured Party may amend or waive the terms of the finance documents for the Secured Obligations owed to such Secured Party (other than the Intercreditor Agreement or any Security Document) in accordance with their terms at any time.
- No amendment or waiver may be made or given to the extent it has the effect of changing or which relates to an amendment to any material term of the Intercreditor Agreement (including to the order of priority or subordination under the Intercreditor Agreement) without the prior written consent of the Bonds Agent, each Second Lien Debt Agent, the Senior Representative, the Super Senior Representative and the Security Agent.
- The prior consent of the Secured Parties is required to authorise any amendment or waiver of, or consent under, any Transaction Security which would adversely affect the nature or scope of the Security assets or the manner in which the proceeds of an Enforcement Action in respect of the Transaction Security are distributed.
- Miscellaneous:** The Bonds Agent, each Second Lien Debt Agent, each Facility Agent and each other representative of Senior Debt shall have a duty to inform the other creditor classes of any default which is continuing, event of default or acceleration. The ICA Group Companies shall use all reasonable endeavours to facilitate any necessary establishment of new Security or change of the Transaction Security pursuant to the Intercreditor Agreement.
- Governing Law** The Intercreditor Agreement shall be governed by Swedish law.

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