



**SGL TransGroup International A/S**

**relating to the listing of**

**EUR 215,000,000 Senior Secured Floating Rate Bonds due  
4 November 2024**

**ISIN: SE0013101219**

**Sole Bookrunner**

 **Pareto Securities**

Prospectus dated 13 December 2019 and valid until 13 December 2020

### IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by SGL TransGroup International A/S (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Denmark, having its headquarters located at the address, Kirsinehøj 7, 2770 Kastrup, Denmark, with CVR No. 37521043., in relation to the application for the listing of the senior secured 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 bookrunner in connection with the issue of the Bonds (the "**Sole 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) and the Issuer's website (scangl.com).

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.

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.

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

Interest payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, only the administrator of EURIBOR - the European Money Markets Institute (the "EMMI") - 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").

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.

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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 up to EUR 315,000,000 senior secured floating rate bonds due 2024 of the Issuer.</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. 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>	<p>The legal and commercial name of the Issuer is SGL TransGroup International A/S. The Issuer is a public limited liability company incorporated under the laws of Denmark, with reg. no. 37521043 and with its registered office at Kirsinehøj 7, 2770 Kastrup, Denmark. The registered office of the Board of Directors is Kirsinehøj 7, 2770 Kastrup, Denmark and the Issuer's head quarter is located at Kirsinehøj 7, 2770 Kastrup, Denmark. The Issuer's legal entity identifier code ("<b>LEI Code</b>") is 549300F45UJO1CG9174. The Bonds will be identified by the ISIN SE0013101219.</p>
<b>Identity and contact details of the competent authority approving the prospectus</b>	<p>Finansinspektionen (the "<b>SFSA</b>") has its registered office at Brunnsgratan 3, P.O Box 7821, SE-103 97 Stockholm, with telephone number (+46) (0)8 408 980 00 and email address finansinspektionen@fi.se.</p>
<b>Date of approval of the prospectus</b>	<p>The SFSA has, in its capacity as competent authority under the Prospectus Regulation, on 13 December 2019, approved this Prospectus</p>
<b>KEY INFORMATION ON THE ISSUER</b>	
<b>Who is the issuer of the securities?</b>	
<b>Issuer's domicile and legal form, its LEI, the law under which it operates and its country of incorporation</b>	<p>The legal and commercial name of the Issuer is SGL TransGroup International A/S. The Issuer is a public limited liability company incorporated under the laws of Denmark, with reg. no. 37521043 and its registered office is Kirsinehøj 7, 2770 Kastrup, Denmark. The Issuer's LEI Code is 549300F45UJO1CG9174. The Issuer is subject to regulations such as, inter alia, Danish Companies Act (Da. <i>selskabsloven</i>).</p>
<b>Principal activities of the Issuer/Group</b>	<p>The 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 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 Group's global network of capacity providers and partners, which enables the Group to deliver logistics solutions across the world. The Group focuses on complex logistics assignments which often require multimodal solutions. Customers are served through more than 100 offices located in 29 countries across five continents, supported by third-party agents where appropriate.</p>
<b>Major shareholders</b>	<p>The Issuer is wholly owned by Scan (UK) Midco Limited, Reg. No. 10201709, a UK private limited company operating under the laws of the United Kingdom. Scan (UK) Midco Limited is wholly owned by Scan (Jersey) Topco Limited Reg. No. 121653 a private limited company operating under the laws of Jersey. Scan (Jersey) Topco Limited is wholly owned by TGI US Topco Corp Reg. No. 6131910 a private limited company operating under the laws of the state of Delaware. TGI US Topco Corp is wholly owned by SGLT Holding II LP Reg. No. MC-86046, limited company operating under the laws of the Cayman Islands. SGLT Holding II LP is owned by AEA &amp; Other Institutional Investors by (58.6%), Management (41%) and Independent Board Members: (0.4%).</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 500,700 divided into 5,007 of shares.																																																																								
<b>Executive Management</b>	The Executive Management consists of a team of 5 people. Allan Melgaard (Group CEO), Claes Brønsgaard Pedersen (Global CFO), Jørgen Jessen (EVP), Thomas Nørgaard (CEO Road & Solution) and Johan Rosenkvist (CEO Sweden).																																																																								
<b>Auditor</b>	Ernst & Young Godkendt Revisionspartnerselskab, Osvald Helmuths Vej 4, Postboks 250, 2000 Frederiksberg, Denmark, is the Issuer's auditor since 2016. Søren Skov Larsen and Allan Nørgaard are the auditors who are responsible for the Company since 2017. 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 Issuer's financial report for the period ending 31 December 2018 and 31 December 2017 (in thousands of DKK)</p> <table border="1"> <thead> <tr> <th colspan="3">Condensed income statement</th> </tr> <tr> <th>Total operating profit/loss</th> <th>2018</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td>12,582</td> <td>-25,135</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Condensed balance sheet</th> </tr> <tr> <th>Total assets</th> <th>2,702,767</th> <th>2,577,894</th> </tr> <tr> <th>Total equity</th> <th>656,646</th> <th>609,917</th> </tr> <tr> <th>Total liabilities</th> <th>2,046,121</th> <th>1,967,977</th> </tr> <tr> <th>Total equity and liabilities</th> <th>2,702,767</th> <th>2,577,894</th> </tr> </thead> <tbody> <tr> <th colspan="3">Condensed cash flow statement</th> </tr> <tr> <th>Cash flow from operating activities</th> <th>19 252</th> <th>-73 306</th> </tr> <tr> <th>Cash flow from financing activities</th> <th>129 920</th> <th>136 603</th> </tr> <tr> <th>Cash flow from investment activities</th> <th>-39 343</th> <th>-193 256</th> </tr> </tbody> </table> <p>The table below sets out a summary of the key financial information extracted from the Issuer's financial report for the period 1 January 2019 to 30 September 2019 and 1 January 2018 to 30 September 2018 (in thousands of DKK).</p> <table border="1"> <thead> <tr> <th colspan="3">Condensed income statement</th> </tr> <tr> <th>Total operating profit/loss</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td></td> <td>2,751</td> <td>-8,402</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Condensed balance sheet</th> </tr> <tr> <th>Total assets</th> <th>3,022,644</th> <th>2,614,535</th> </tr> <tr> <th>Total equity</th> <th>638,929</th> <th>582,247</th> </tr> <tr> <th>Total liabilities</th> <th>2,383,715</th> <th>2,032,288</th> </tr> <tr> <th>Total equity and liabilities</th> <th>3,022,644</th> <th>2,614,535</th> </tr> </thead> <tbody> <tr> <th colspan="3">Condensed cash flow statement</th> </tr> <tr> <th>Cash flow from operating activities</th> <th>-80,005</th> <th>-12,163</th> </tr> <tr> <th>Cash flow from financing activities</th> <th>-53,569</th> <th>-1,991</th> </tr> <tr> <th>Cash flow from investment activities</th> <th>-103,566</th> <th>-22,974</th> </tr> </tbody> </table>	Condensed income statement			Total operating profit/loss	2018	2017		12,582	-25,135	Condensed balance sheet			Total assets	2,702,767	2,577,894	Total equity	656,646	609,917	Total liabilities	2,046,121	1,967,977	Total equity and liabilities	2,702,767	2,577,894	Condensed cash flow statement			Cash flow from operating activities	19 252	-73 306	Cash flow from financing activities	129 920	136 603	Cash flow from investment activities	-39 343	-193 256	Condensed income statement			Total operating profit/loss	2019	2018		2,751	-8,402	Condensed balance sheet			Total assets	3,022,644	2,614,535	Total equity	638,929	582,247	Total liabilities	2,383,715	2,032,288	Total equity and liabilities	3,022,644	2,614,535	Condensed cash flow statement			Cash flow from operating activities	-80,005	-12,163	Cash flow from financing activities	-53,569	-1,991	Cash flow from investment activities	-103,566	-22,974
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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 year ending 2018.																																																																								
<b>What are the key risks that are specific to the Issuer?</b>																																																																									
<b>IT infrastructure</b>	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																																																																								

	<p>technological developments, the Group's success and profitability depends on e.g. its ability to respond to developments in technology and its ability to 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 operations, earnings and financial position.</p>
<b>Exposure to key customers</b>	<p>The Group's ten largest customers represent approximately 18 per cent. of the Group's turnover and approximately 5 per cent. of the Group's turnover derive from the United Nations. 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.</p> <p>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. Given that the United Nations is one 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.</p> <p>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.</p>
<b>Risks relating to suppliers and carriers</b>	<p>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 arise during the weeks prior to Christmas or during the run up towards the Chinese new year. Inability to maintain a national and international logistic network of suppliers or failure to ensure that the customers' shipments are properly delivered due to capacity scarcity of the carriers may have a negative effect on the Group's business, financial position and result of operation.</p>
<b>Dependency on key employees</b>	<p>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 1,500 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. If such key personnel leave the Group in the future, or take up employment with a competing business, it would have a negative effect on the Group's operations, earnings and financial position.</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>	<p>The Terms and Conditions of the Bonds are governed by Swedish law. The Bonds are senior secured floating rate bonds with ISIN: SE0013101219.</p>
<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 Initial Nominal Amount of each Bond is EUR 1,000 and the minimum permissible investment in the Initial Bond Issue is EUR 100,000. The Issuer has issued a total of 215,000 bonds in an initial aggregate amount of EUR 215,000,000 on the First Issue date of 4 November 2019, and may also issue Subsequent Bonds up to an aggregate principal amount of EUR 100,000,000, pursuant to the Terms and Conditions. The final maturity date of the Bonds is 4 November 2024.</p>
<b>Rights attached to the securities</b>	<p>Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a 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.</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> <p>The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30% of the total Nominal 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>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except (i) those obligations which are mandatorily preferred by law and (ii) the super senior ranking of the Super Senior Debt and the Revolving Loan Debt in accordance with the Intercreditor Agreements and are guaranteed by the Guarantors.
<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 each year 4 February, 4 May, 4 August and 4 November commencing on 4 February 2020. Interest will accrue from (but excluding) the Issue Date. The last interest payment date shall be the Final Maturity Date of 4 November 2024 (or such earlier date on which the Bonds are redeemed in full). The Bonds carry an interest of three (3) month EURIBOR (with a floor of zero per cent.) plus margin of 6.75 per cent. <i>per annum</i> .
<b>Where will the securities be traded?</b>	
<b>Trading</b>	The Initial Bonds will be admitted to trading at Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
<b>Is there a guarantee attached to the securities?</b>	
<b>Nature and scope of the guarantee</b>	The Guarantors have agreed to jointly and severally guarantee the full and punctual payment and performance of all Secured Obligations, including the payment of principal and interest under the Senior Finance Documents (as defined in the Issuer Intercreditor Agreement as defined below) when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer to the Secured Parties under the Senior Finance Documents.
<b>Guarantors</b>	<p>The Issuer's obligations under the Bonds are jointly and severally guaranteed by each of the following entities:</p> <ul style="list-style-type: none"> <li>• Scan Global Logistics Holding ApS, a limited liability company incorporated in Denmark since 1 January 2007. Scan Global Logistics Holding ApS is registered with the Danish Business Authority with reg. no. 30177460, operating under the laws of Denmark and has no LEI code;</li> <li>• Scan Global Logistics A/S, a public limited liability company incorporated in Denmark since 29 December 1989. Scan Global Logistics A/S is registered with the Danish Business Authority with reg. no. 14049673, operating under the laws of Denmark with LEI code 549300M5XVDYG4I7CC28;</li> <li>• SGL Express A/S, a public limited liability company incorporated in Denmark since 4 January 2019. SGL Express A/S is registered with the Danish Business Authority with reg. no. 40139915, operating under the laws of Denmark and has no LEI code;</li> <li>• Scan Global Logistics AB, a limited liability company incorporated in Sweden since 1 July 1993. Scan Global Logistics AB is registered with the Swedish Companies Registration office with reg. no. 556480-2782, operating under the laws of Sweden and has no LEI code;</li> <li>• Crosseurope Aktiebolag, a limited liability company incorporated in Sweden since 13 April 1993. Crosseurope Aktiebolag is registered with the Swedish Companies Registration office with reg. no. 556468-4305, operating under the laws of Sweden and has no LEI code;</li> </ul>

	<ul style="list-style-type: none"> <li>• Airlog Group Holding AB, a limited liability company incorporated in Sweden since 12 November 2004. Airlog Group Holding AB is registered with the Swedish Companies Registration office with reg. no. 556672-3507, operating under the laws of Sweden and has no LEI code;</li> <li>• SGL Express AB, a limited liability company incorporated in Sweden since 18 October 2011. SGL Express AB is registered with the Swedish Companies Registration office with reg. no. 556871-4116, operating under the laws of Sweden and has no LEI code;</li> <li>• Scan Global Logistics Limited 晟嘉亞美有限公司, a limited liability company incorporated in Hong Kong since 22 August 2003. Scan Global Logistics Limited 晟嘉亞美有限公司, is registered with the Companies Registry (Hong Kong) with reg. no. 858799, operating under the laws of Hong Kong and has no LEI code; and</li> <li>• Scan Global Logistics (Shanghai) Co., Ltd, a limited liability company incorporated in Shanghai since 5 December 2006. Scan Global Logistics (Shanghai) Co., Ltd is registered with the Shanghai Municipal Bureau for Market Supervision and Administration with reg. no. 91310000794536674U, operating under the laws of laws of the People's Republic of China and has no LEI code.</li> </ul>
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#### Material risk factors pertaining to the Guarantors

<p><b>Risks relating to the guarantees</b></p>	<p>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, 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 towards the current Bondholders would be impaired. Also, any guarantees of the Issuer's obligations under the Bonds from the Issuer's subsidiaries are limited by the Danish financial assistance rules and corporate benefit principles.</p> <p>The majority of the Bond proceeds are being used (i) to refinance acquisition debt from the purchase of shares in the US HoldCo which took place in 2016 and (ii) to refinance the Issuer's existing bond financing of which a part of the proceeds were used to finance the Issuer's acquisitions of shares in Scan Global Logistics Holding ApS. Pursuant to the Danish statutory provisions on unlawful financial assistance, including sections 206 through 212 of the Danish Companies Act (Da. <i>selskabsloven</i>) as amended and supplemented from time to time, a Danish target company may not guarantee debt incurred to finance 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 Scan Global Logistics Holding ApS or its direct or indirect subsidiaries will thus not be applicable nor enforceable for the majority of the obligations under the Bonds due to the applicable limitations under the Danish statutory provisions on unlawful financial assistance.</p> <p>Under Danish law, the provision of any of the Guarantees may be set aside and clawed-back under applicable 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.</p> <p>The payment obligations of the Issuer under the Bonds will be structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Issuer and the subsidiaries of such subsidiaries. The Guarantors will unconditionally and irrevocably guarantee the payment obligations of the Issuer under the Bonds. The Bonds will accordingly 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 Agreement and general Danish law provisions.</p> <p>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, Chinese law, Hong Kong law or any other applicable laws. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that</p>
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	this would have a significant negative effect on the likelihood of the Bondholders receiving the amounts owed to them under the Bonds.
<b>What are the key risks that are specific to the securities?</b>	
<b>Risks related to the Issuer intercreditor arrangements</b>	<p>Certain direct and indirect subsidiaries of the Issuer have or may in the future incur debt under a super senior working capital facility (the "<b>Issuer Super Senior Debt</b>") which will, in accordance with the terms of the Issuer Intercreditor Agreements (as defined below), rank senior to the Bonds. The relationship between the Bondholders (represented by the Trustee) and the creditors in respect of the Issuer Super Senior Debt will be governed by an intercreditor agreement ("<b>Issuer Intercreditor Agreement</b>") relating to various assets in the group. The secured creditors under the Issuer Super Senior Debt will have first priority security over certain assets and, consequently, the Bondholders will have second priority security to those assets. 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 Issuer Super Senior Debt has been repaid. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Issuer Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer issues subsequent Bonds or incur other <i>pari passu</i> debt which will be secured in accordance with the Issuer Intercreditor Agreement, the security position of the current Bondholders may be impaired.</p> <p>The security agent will in accordance with the Issuer Intercreditor Agreements in some cases take instructions from a super senior representative under the Issuer Super Senior Debt. There is a risk that the security agent and/or a super senior representative under the Issuer 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, being 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.</p> <p>The Issuer Intercreditor Agreements will also contain provisions regarding the application of proceeds from an enforcement of security will be distributed in the following order: firstly, to any agent for any secured creditor, secondly any creditor under any super senior debt (including liabilities under super senior hedges), thirdly any creditor pro rata under any senior debt (including the Bondholders) 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.</p>
<b>Risks related to the US HoldCo intercreditor arrangements</b>	<p>TransGroup Global Inc (the "<b>US HoldCo</b>") have or may in the future, together with certain of its subsidiaries, incurred debt under a super senior working capital facility (the "<b>US HoldCo Super Senior Debt</b>") provided by certain lenders represented by an agent representing the creditors under the US Super Senior Debt (the "<b>US SSRCF Agent</b>") which will, in accordance with the terms the US HoldCo Intercreditor Agreements (as defined below), rank senior to the Bonds. The relationship between the Bondholders (represented by the Trustee) and the creditors in respect of the US HoldCo Super Senior Debt will be governed by an intercreditor agreement ("<b>US HoldCo Intercreditor Agreement</b>") relating to various assets in the US HoldCo and certain of its subsidiaries. The secured creditors under the US HoldCo Super Senior Debt will have first priority security over the assets in the US HoldCo and Transfair North America International Freight Services, LLC ("<b>Transfair</b>") other than equity interests and, consequently, the Bondholders will have second priority security to those assets and first priority over the shares in the US HoldCo and Transfair. 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 US HoldCo Super Senior Debt has been repaid. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Issuer Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer issues subsequent Bonds or incur other <i>pari passu</i> debt which will be secured in accordance with the Issuer Intercreditor Agreement, the security position of the current Bondholders may be impaired.</p> <p>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 starts 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.</p>

	The US HoldCo Intercreditor Agreements will contain an option for the Bondholders to purchase the US HoldCo Super Senior Debt in full, within 10 business days, and upon giving five 5 business days' or such longer time as the creditors under the US HoldCo Super Senior Debt may agree to (in their sole discretion)) prior written notice by the Trustee to the US SSRFC Agent, from an event of the default under the US HoldCo Super Senior Debt. There is a risk that the Bondholders may not have time to convene or come to a consensus to exercise the purchase option within 10 business days and hence miss the opportunity to exercise this right 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.
<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>Expected timetable for the offering</b>	Not applicable. This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire the Bonds.
<b>Details of the admission to trading on Nasdaq Stockholm</b>	This Prospectus has been prepared for the admission to trading of the Initial Bonds on the corporate bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.
<b>Listing costs</b>	The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 400,000.
<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 Initial 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 is EUR 215,000,000 and the Issuer has used the proceeds to (i) refinance the Refinancing Debt, (ii) pay Transaction Costs, and (iii) finance general corporate purposes of the Group, including acquisitions, investments and repayment of any outstanding amount under any existing Working Capital Facilities.
<b>Material conflicts</b>	The Sole 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 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.

## **RISK FACTORS**

*Risk factors deemed to be of importance for the Group's business and future development and risks relating to the Bonds are described below. 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 to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as the major part of the business operations in the Group are conducted by the Guarantors and other entities within the Group. 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.*

### **RISKS RELATING TO THE GROUP**

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

*Medium level risk*

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

There is a risk that fluctuations in freight rates caused by a 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.

Approximately 15% of the Group's revenue derives from shipments of customers' goods between USA and China. Recently both the US and the Chinese government has 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 would suffer financially if the trade volumes on this route decreases.

*Medium level risk*

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

The Group has operations and customers world-wide, including in a number of emerging markets including, but not limited to, Mali, Senegal, the Ivory Coast, Indonesia, the Philippines, Cambodia, 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 foreign banks have refused to clear payments for the Group due to its operations in countries subject to sanctions. Future refusals by foreign banks could have an adverse effect on the Group's liquidity for an extended period of time and divert significant time and attention from the Group's senior management.

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

*Medium level risk*

### **Competitive landscape**

The global freight forwarding business is highly competitive. The Group has 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 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 in the future and has recently established operations in, among others, Myanmar, Spain, Peru, Cambodia and Germany. 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.

*Low level risk*

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

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, imposing dependency to contractually allocate the obligation to obtain necessary permits with the customers rather than the Group. If the Group is unsuccessful in ensuring compliance with such laws, regulations and permits the Group's financial position and financial results could be affected in a negative way.

*Low level risk*

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

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 damaged during transportation. 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 currently has pending claims where there is no insurance coverage for the liabilities that can potentially arise. These claims amounts to approximately DKK 5,000,000. Claims and unfavourable outcome of legal disputes could have a negative effect on the Group's operations and financial position.

## **Risks related to internal management**

*High level risk*

### **IT infrastructure**

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 success and profitability depends on e.g. its ability to respond to developments in technology and its ability to 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.

*Medium level risk*

### **Dependency on key employees**

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 1,500 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.

*Medium level risk*

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

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. Furthermore, many of the acquisition agreements, including but not limited to, the share purchase agreements relating to the shares in Crosseurope Aktiebolag, and the asset transfer agreement relating to the business and certain assets of Kestrel Freight and Customs Pty Ltd include provisions which limits the Group's possibilities to claim damages from the sellers.

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 dilutive issuances of the Group's equity securities, 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.

*Medium level risk*

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

The Group's future prospects depend on the Group's ability to: (i) expand its business in certain key markets, including the recently entered markets of Mali, Senegal and Germany, (ii) identify potential acquisitions, (iii) achieve economies of scale and (iv) 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 favorable terms in order to support such growth, it would 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.

*Low level risk*

### **Significant Shareholder and Exit**

The Issuer's largest shareholder is a fund controlled by the private equity firm AEA Investors SBF LP ("**AEA**"), who controls 28.9% of Class A Units. Private equity funds make investments with the objective of exiting the investment within a certain time frame. The shareholders may have interest which conflicts with those of the holders of the Bonds (the "**Bondholders**"). As a large shareholder 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**

*Medium level risk*

#### **Exposure to key customers**

The Group's ten largest customers represent approximately 18 per cent. of the Group's turnover and approximately 5 per cent. of the Group's turnover derive from the United Nations. 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. Given that the United Nations is one 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. 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.

*Medium level risk*

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

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 arise 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 labor 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.

*Low level risk*

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

The Group primarily receives its revenue 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. 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**

*Low level risk*

### **Currency 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 has operations and costs that are not denominated in DKK. These include USD, EUR, SEK, CAD, HKD and RMB among others. The Group does not currently conduct any large scale hedging and is consequently exposed to unfavorable fluctuations in currency exchange rates, which may adversely impact the Group's earnings and financial position.

The Issuer presents 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.

*Low level risk*

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

The Group has incurred, and may in compliance with the limits 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. The level of market interest also affects the value of the Bonds, as they will bear interest at a floating rate of 3 month EURIBOR plus a margin. 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. There is a risk that the increase in interest rates would entail an increase in the Group's interest obligations, which would have a negative effect on the Group's business, financial position 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**

*Medium level risk*

#### **Change of control**

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.



*Medium level risk***Risks related to early redemption**

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 30 per cent. of the nominal amount outstanding under the Bonds. If the Bonds are redeemed before the final redemption date, the Bondholders 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.

*Low level risk***Risks relating to the clearing and settlement in Euroclear Sweden AB's book-entry system**

The Bonds will be affiliated to Euroclear Sweden AB's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear Sweden AB's book-entry system as well as payment of interest and repayment of the principal. Bondholders are therefore dependent on the functionality of Euroclear Sweden AB'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***Medium level risk***Risks related to the Issuer intercreditor arrangements**

Certain direct and indirect subsidiaries of the Issuer have or may in the future incur debt under a super senior working capital facility (the "**Issuer Super Senior Debt**") which will, in accordance with the terms the Issuer Intercreditor Agreements (as defined below), rank senior to the Bonds. The relationship between the Bondholders (represented by the Trustee) and the creditors in respect of the Issuer Super Senior Debt will be governed by an intercreditor agreement ("**Issuer Intercreditor Agreement**") relating to various assets in the group. The secured creditors under the Issuer Super Senior Debt will have first priority security over certain assets and, consequently, the Bondholders will have second priority security to those assets. 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 Issuer Super Senior Debt has been repaid. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Issuer Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer issues subsequent Bonds or incur other *pari passu* debt which will be secured in accordance with the Issuer Intercreditor Agreement, the security position of the current Bondholders may be impaired.

The security agent will in accordance with the Issuer Intercreditor Agreements in some cases take instructions from a super senior representative under the Issuer Super Senior Debt. There is a risk that

the security agent and/or a super senior representative under the Issuer 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, being 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 Issuer Intercreditor Agreements will also contain provisions regarding the application of proceeds from an enforcement of security will be distributed in the following order: firstly, to any agent for any secured creditor, secondly any creditor under any super senior debt (including liabilities under super senior hedges), thirdly any creditor pro rata under any senior debt (including the Bondholders) 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.

*Medium level risk*

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

TransGroup Global Inc (the "**US HoldCo**") have or may in the future, together with certain of its subsidiaries, incurred debt under a super senior working capital facility (the "**US HoldCo Super Senior Debt**") provided by certain lenders represented by an agent representing the creditors under the US Super Senior Debt (the "**US SSRCF Agent**") which will, in accordance with the terms the US HoldCo Intercreditor Agreements (as defined below), rank senior to the Bonds. The relationship between the Bondholders (represented by the Trustee) and the creditors in respect of the US HoldCo Super Senior Debt will be governed by an intercreditor agreement ("**US HoldCo Intercreditor Agreement**") relating to various assets in the US HoldCo and certain of its subsidiaries. The secured creditors under the US HoldCo Super Senior Debt will have first priority security over the assets in the US HoldCo and Transfair North America International Freight Services, LLC ("**Transfair**") other than equity interests and, consequently, the Bondholders will have second priority security to those assets and first priority over the shares in the US HoldCo and Transfair. 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 US HoldCo Super Senior Debt has been repaid. Moreover, if the outstanding obligations of the Group towards the creditors in respect of the Issuer Super Senior Debt increase, the security position of the Bondholders will be further impaired. Furthermore, if the Issuer issues subsequent Bonds or incur other *pari passu* debt which will be secured in accordance with the Issuer Intercreditor Agreement, the security position of the current Bondholders may be impaired.

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 starts 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 Agreements will contain an option for the Bondholders to purchase the US HoldCo Super Senior Debt in full, within 10 business days, and upon giving five 5 business days' or such longer time as the creditors under the US HoldCo Super Senior Debt may agree to (in their sole discretion)) prior written notice by the Trustee to the US SSRCF Agent, from an event of the default under the US HoldCo Super Senior Debt. There is a risk that the Bondholders may not have time to convene or come to a consensus to exercise the purchase option within 10 business days and hence

miss the opportunity to exercise this right 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.

*Medium level risk*

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

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, 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 towards the current Bondholders would be impaired.

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

The majority of the Bond proceeds are being used (i) to refinance acquisition debt from the purchase of shares in the US HoldCo which took place in 2016 and (ii) to refinance the Issuer's existing bond financing of which a part of the proceeds were used to finance the Issuer's acquisitions of shares in Scan Global Logistics Holding ApS. 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 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 Scan Global Logistics Holding ApS or its direct or indirect subsidiaries will thus not be applicable nor enforceable for the majority of the obligations under the Bonds due to the applicable limitations under the Danish statutory provisions on unlawful financial assistance.

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. There is a risk that the guarantees granted in respect of the Bonds will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

Under Danish law, the provision of any of the Guarantees may be set aside and clawed-back under applicable 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.

The payment obligations of the Issuer under the Bonds will be structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Issuer and the subsidiaries of such subsidiaries. The Guarantors will unconditionally and irrevocably guarantee the payment obligations of the Issuer under the Bonds. The Bonds will accordingly 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 Agreement and general Danish law provisions.

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, Chinese law, Hong Kong 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.

*Medium level risk*

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

Although the Issuer's obligations towards the Bondholders under the Bonds will be secured by first priority pledges over the shares in certain Group companies, first and second priority pledges over business mortgages over the assets of certain Group Companies 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 will be represented by 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 certain hardening periods during which times the Bondholders do not fully, or at all, benefit from the transaction security.

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.

The value of the floating charges issued by a Group Company, which are subject to security in favour of the Bondholders, are dependent on the value of the charged assets held by the 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. løstøre) 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. 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 corresponding to the amounts of the floating charges.

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 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.

Any security provided for the Issuer's obligations under the Bonds from the Issuer's Danish subsidiaries are limited by the Danish statutory provisions on unlawful financial assistance and 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 Bond proceeds are being used (i) to refinance acquisition debt from the purchase of shares in the US HoldCo which took place in 2016 and (ii) to refinance the Issuer's existing bond financing of which a part of the proceeds were used to finance the Issuer's acquisitions of shares in Scan Global Logistics Holding ApS. 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 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 Scan Global Logistics Holding ApS or its direct or indirect subsidiaries, 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.

Under applicable Danish law, security interests over certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the security provider. In the event of 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 in bankruptcy 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, 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.

Security interests 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 (*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 security interests will not be 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 security securing the Bonds, except through the Security Agent.

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

#### *Risks relating to the Hong Kong law transaction security*

The Hong Kong law governed transaction security over shares and/or other assets may be voidable as a preference under insolvency or fraudulent transfer or similar laws of Hong Kong at any time within six months of the creation of the security or, under some circumstances, within a longer period. If the transaction security is voided for any reason, bondholders under the Bonds will have only unsecured claims in relation to the Hong Kong subsidiary. If the Hong Kong transaction security is voided, it will not be enforceable and to this extent, the aggregate value of the security assets securing the Bonds will be reduced.

The ability of the Bondholders to realise upon the security assets subject to the Hong Kong security will be subject to certain bankruptcy law limitations in the event of a bankruptcy of a security provider. Applicable bankruptcy laws in Hong Kong and any other jurisdictions where insolvency proceedings may be commenced with respect to a security provider may prohibit a secured creditor such as the Security Agent from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, applicable bankruptcy laws may also permit the debtor to continue to retain and to use security assets even though the debtor is in default under the applicable debt instruments under certain circumstances. It may not be possible to predict how long payments with respect to the Bonds could be delayed following commencement of a bankruptcy case, whether or when the Security Agent could repossess or dispose of the security assets, the value of the security assets at the time of the bankruptcy petition or whether or to what extent holders of the Bonds would be compensated for any delay in payment or loss of value of the security assets. Furthermore, in the event the bankruptcy court determines the value of the security assets is not sufficient to repay all amounts due on the Bonds, the holders of the Bonds would hold claims that are "undersecured". Applicable bankruptcy laws may not permit the payment and/or accrual of interest, costs and attorney's fees for such "undersecured" claims during the debtor's bankruptcy case. Other consequences of a finding of under-collateralisation may be, among other things, a lack of entitlement on the part of the unsecured portion of the Bonds to receive adequate protection under certain applicable bankruptcy laws. In addition, if any payments of post-petition interest had been made at any time prior to such a finding of under-collateralisation, those payments would be re-characterised by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the Bonds. The circumstances described in this paragraph relating to any bankruptcy or insolvency proceedings may affect the value of the security assets, the

Bondholders' ability to realise or foreclose on the security assets or receive any proceeds from an enforcement of the Hong Kong transaction security.

*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. 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.

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 obligor 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 China

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.

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 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 interest 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 related to the financial standing of the Group**

*Medium level risk*

### **Refinancing 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.

*Medium level risk*

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

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 under this Prospectus have EURIBOR plus 6.75 as interest rate. EURIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). As at the date of this Prospectus, only the administrator of EURIBOR - the European Money Markets Institute (the "**EMMI**") - appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

<b>Issuer</b> .....	SGL TransGroup International A/S, business identity code 37521043.
<b>Bonds Offered</b> .....	The aggregate amount of the bond loan will be an amount of up to a maximum of EUR 315,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of EUR 215,000,000 had been issued on the First Issue Date.
<b>Number of Bonds</b> .....	Maximum of 315,000 Bonds. At the date of this Prospectus 215,000 Bonds had been issued on the First Issue Date.
<b>ISIN</b> .....	SE0013101219.
<b>First Issue Date</b> .....	4 November 2019.
<b>Issue Price</b> .....	All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a floating rate of three-month EURIBOR plus 6.75 per cent. per annum.
<b>Use of benchmark</b> .....	Interest payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, only the administrator of EURIBOR - EMMI - appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 of the Benchmark Regulation.

**Interest Payment Dates** ..... 4 February, 4 May, 4 August and 4 November of each year commencing on 4 February 2020. Interest will accrue from (but excluding) the Issue Date.

**Nominal Amount** ..... The Bonds will have a nominal amount of EUR 1,000 and the minimum permissible investment in the Bonds is EUR 100,000.

**Status of the Bonds** ..... 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.

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer, and:

- shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except (i) those obligations which are mandatorily preferred by law and (ii) the super senior ranking of the Super Senior Debt and the Revolving Loan Debt in accordance with the Intercreditor Agreements (for more information please see Clause 2 (*Status of the Bond*) in the Terms and Conditions); and
- are guaranteed by the Guarantors (as defined below).

**Guarantees** ..... The Issuer's obligations under the Bonds are jointly and severally guaranteed (the "**Guarantee**") by each of:

- Scan Global Logistics Holding ApS;
- Scan Global Logistics A/S;
- SGL Express A/S;
- Scan Global Logistics AB;
- Crosseurope Aktiebolag;
- Airlog Group Holding AB;
- SGL Express AB;
- Scan Global Logistics Limited 晟嘉亞美有限公司;  
and
- Scan Global Logistics (Shanghai) Co., Ltd.

each a "**Guarantor**" and jointly the "**Guarantors**".

See "*Description of Material Agreements – Guarantee Agreement*" for further details.

**Ranking of the Guarantees ..** The Guarantee of each Guarantor is a general obligation of such Guarantor and:

- ranks *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantee; and
- ranks senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantee.

The Guarantees are subject to certain limitations under local law.

**Security .....** The Bonds are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of "**Transaction Security Documents**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

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

**Equity Claw Back.....** The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30% of the total Nominal Amount in accordance with Clause 9.5 (*Voluntary Partial Redemption upon an Equity Listing Event*) of the Terms and Conditions.

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

103.375% of the Outstanding Nominal Amount, together with the remaining interest payments and accrued but unpaid interest, if the Call Option is exercised on or after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date;

103.375% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the date falling 36 months after the First Issue Date;

102.700% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is

exercised on or after the date falling 36 months after the First Issue Date to, but not including, the date falling 42 months after the First Issue Date;

102.025% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 42 months after the First Issue Date to, but not including, the date falling 48 months after the First Issue Date;

101.350% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or the date falling 48 months after the First Issue Date to, but not including, the date falling 54 months after the First Issue Date;

100.675% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 54 months after the First Issue Date to, but not including, the Final Redemption Date.

<b>First Call Date.....</b>	4 May 2022.
<b>Final Maturity Date .....</b>	4 November 2024.
<b>Change of Control Event.....</b>	means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.
<b>Certain Covenants.....</b>	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• restrictions on making any changes to the nature of their business;</li> <li>• a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);</li> <li>• restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and</li> </ul>

- 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.

<b>Use of Proceeds .....</b>	The Net Proceeds of the Bond Issue shall be used to (i) refinance the Refinancing Debt, (ii) pay Transaction Costs, and (iii) finance general corporate purposes of the Group, including acquisitions, investments and repayment of any outstanding amount under any existing Working Capital Facilities.  Net Proceeds from a Subsequent Bond Issue shall be used to finance general corporate purposes, including acquisitions, investments and repayment of any outstanding amount under the Working Capital Facilities.
<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>Listing.....</b>	Application has been made to list the Bonds on Nasdaq Stockholm.
<b>Agent.....</b>	Intertrust (Sweden) AB, reg. no. 556625-5476.
<b>Security Agent .....</b>	Intertrust (Sweden) AB reg. no. 556625-5476.
<b>Issuing Agent .....</b>	Pareto Securities AB.
<b>Governing Law of the Bonds.</b>	Swedish law.
<b>Governing Law of the Issuer Intercreditor Agreement .....</b>	Swedish law.
<b>Governing Law of the US HoldCo Intercreditor Agreement.....</b>	Laws of the State of New York
<b>Governing Law of the Guarantee Agreement.....</b>	Swedish law.

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



## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 4 October 2019, and was subsequently issued by the Issuer on 4 November 2019. 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.

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 Issuer that is the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

After the expiration date of this Prospectus, being 13 December 2020, the obligation to provide additional information regarding new material circumstances, factual errors or material inaccuracies in this Prospectus ceases to apply once this Prospectus has expired.

The board of directors of the Company 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.

13 December 2019

SGL TransGroup International A/S

*The board of directors*

## 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.

### Loan to TGI US Bidco Corp.

In order to finance the acquisition of Transgroup Express Inc and Transfair North America International Freight Services Inc, TransLAX LLC and ICO SFO LLC and their respective subsidiaries, the Issuer issued a loan to Transgroup Global Inc., (formerly TGI US Bidco Corp.) (the "**Borrower**") approximately in the amount of USD 98,000,000 (the "**Loan**"). The Loan was evidenced by an intercompany note dated 30 September 2016 and was entered into on arm's length terms. The payment obligation under the Loan has subsequently been transferred from the Borrower to Transfair North America International Freight Services LLC (the "**New Borrower**") (however Transgroup Global Inc., remains as a guarantor in relation to the Loan) and is evidenced by a new intercompany note dated 25 November 2019. The Loan constitutes an asset for the Issuer and is pledged to the Security Agent, in its capacity as security agent for the Bondholders. The Loan shall be repaid on demand by the Issuer and the New Borrower shall pay interest on the unpaid principal amount until the Loan is repaid in full, at a rate agreed upon by the Issuer and the Borrower from time to time. The Loan is subordinated to any obligations of Transgroup Global Inc., or any of their subsidiaries to the bank providing working capital facilities to Transgroup Global Inc., and their subsidiaries.

### Guarantee and Adherence Agreement

The Guarantors and the Issuer have entered into a guarantee and adherence agreement with the Security Agent dated 25 November 2019 (the "**Guarantee Agreement**"), pursuant to which the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

- the full and punctual payment and performance of all Secured Obligations, including the payment of principal and interest under the Senior Finance Documents (as defined in the Issuer Intercreditor Agreement as defined below) when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer to the Secured Parties under the Senior Finance Documents;

The Guarantees are subject to certain limitations set out in the Guarantee and Adherence Agreement and as imposed by local law requirements in certain jurisdictions.

The obligations and liabilities of each Guarantor incorporated in Sweden shall be limited, if (and only if) required by the provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) regulating distribution of assets and other value transfers (Chapter 17, Section 1-4) (or their equivalents from time to time) and unlawful financial assistance and it is understood that the obligations of the Guarantors under this Agreement shall apply only to the extent permitted by the aforementioned provisions of the Swedish Companies Act.

Notwithstanding any provision of this Agreement or any other Senior Finance Document, the obligations of any Guarantor incorporated in Denmark (each a "Danish Guarantor") and, if required of the board of directors or management board of that Danish Guarantor in order to comply with their obligations in respect of such statutory provisions, of any Guarantor that, directly or indirectly, is a Subsidiary of that Danish Guarantor and is incorporated in a jurisdiction other than Denmark, expressed to be assumed in this Agreement or any other Senior Finance Document:

- (i) shall be deemed not to be assumed (and any security created in relation thereto shall be limited) if and to the extent required to comply with Danish statutory provisions on unlawful financial assistance including, but not limited to, sections 206 through 212 of the Danish Companies Act (Da: *selskabsloven*) as amended and supplemented from time to time; and
- (ii) shall, in relation to obligations not incurred as a result of borrowings under any Senior Finance Document by the Danish Guarantor or by a direct or indirect Subsidiary of the Danish Guarantor, further be limited to an amount equal to the greater of:
  - (A) the equity of the Danish Guarantor at the date of this Agreement or, as the case may be, the date of the Danish Guarantor's accession to this Agreement; and
  - (B) the equity at the date when a claim for payment is made against the Danish Guarantor under this Agreement or any other Senior Finance Document,

in each case calculated in accordance with the Danish Guarantor's generally accepted accounting principles at the relevant time (including, if applied by the Danish Guarantor, IFRS), however, in the case of paragraph (B) above only adjusted by adding back obligations (in the amounts outstanding at the time when a claim for payment is made) of the Danish Guarantor in respect of any intercompany loan owing by the Danish Guarantor to another intercreditor agreement group company (the "**ICA Group Company**") and originally borrowed or owed by that ICA Group Company under a Senior Finance Document and on-lent by that ICA Group Company to the Danish Guarantor provided always that any payment made by the Danish Guarantor under this Agreement in respect of such obligations of the Danish Guarantor shall reduce pro tanto the outstanding amount of the intercompany loan owing by the Danish Guarantor.

The Guarantee does not apply to any liability to the extent that it would result in the Guarantee constituting unlawful financial assistance within the meaning of sections 274 and 275 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or any equivalent and applicable provisions under the laws of the jurisdiction under whose law an Original Guarantor is incorporated as at the date of this Agreement, or any equivalent and applicable provisions under the laws of the jurisdiction under whose law an Additional Guarantor is incorporated as at the date it becomes an Additional Guarantor.

The enforcement of the guarantee provided hereunder by the Guarantor incorporated in the People's Republic of China shall be subject to the regulation of the People's Republic of China on foreign exchange control.

### **Issuer Group SSRCF**

The Issuer's indirect subsidiary Scan Global Logistics A/S, has entered into a DKK 174,000,000 uncommitted multicurrency revolving credit facility agreement, dated 23 April 2019 as borrower (the "**Issuer Group SSRCF**").

### **Issuer Intercreditor Agreement**

The Issuer, the Security Agent as Security Agent and Agent for the Bondholders and Agent for the creditors under the Issuer Group SSRCF have entered into an intercreditor agreement dated 25 November 2019 (the "**Issuer Intercreditor Agreement**"). The terms of the Issuer Intercreditor Agreement states that the secured creditors under the Issuer Group SSRCF will have first priority security and will rank prior to the Bondholders in relation to any proceeds received in connection with

an enforcement of the Transactions Security defined in the Issuer Intercreditor Agreement and the Bondholders will, consequently have second priority security to such proceeds.

### **US SSRCF**

Transfair North America International Freight Services, LLC, and TransGroup Express, LLC have entered into a revolving loan agreement as borrowers (the "**Borrowers**"), dated 6 December 2017 (the "**US SSRCF**") for a total commitment of USD 25 000 000.

### **US HoldCo Intercreditor Agreement**

The Borrowers, the Security Agent as Security Agent and Agent for the Bondholders, the lenders under the US SSRCF and the agent representing the lenders under the US SSRCF have entered into an intercreditor agreement dated 25 November 2019 (the "**US HoldCo Intercreditor Agreement**"). The terms of the US HoldCo Intercreditor Agreement states that the secured creditors under the US SSRCF will have first priority security and will rank prior to the Bondholders in relation to any proceeds received in connection with an enforcement of the second ranking pledge over all property and interests in property, real or personal, tangible or intangible, now owned or hereafter acquired by TransGroup Global Inc and Transfair North America International Freight Services, LLC and their subsidiaries and other Grantors (as defined in that certain US HoldCo Intercreditor Agreement) in or upon which any lenders under US Holdco Super Senior Debt have a lien, and including, without limitation, all proceeds of such property and interests in property, but excluding all equity interests in each Grantor and there proceeds thereof. The secured creditors under the US SSRCF will be junior to the obligations under the Bonds in respect of a pledge over all the shares currently issued in Transfair North America International Freight Services, LLC.

## **DESCRIPTION OF THE GROUP**

### **History and development**

The Company's legal and commercial name is SGL TransGroup International A/S and is a Danish public limited liability company operating under the laws of Denmark with CVR No. 37521043. The Issuer's legal entity identifier (LEI) is 549300F45UJO1CG9174.

The Company was incorporated on 4 March 2016 and has its registered office at Kirstinehøj 7, 2770 Kastrup, Denmark and its headquarters at Kirstinehøj 7, 2770 Kastrup, Denmark, with telephone number +45 32 48 00 00. In accordance with the articles of association of the Company, adopted on 2 September 2019 the Company's objects are to carry out trades and industry, and any other activities that the Board of Directors deems to be ancillary or related thereto, including owning shares, issuing bonds and incurring other debts relating thereto.

The establishment of the Group started when Scan Global Logistics Holding ApS was founded in 2007 after the merger of the two Danish freight forwarding companies ScanAm and Mahé. Scan Global Logistics Holding ApS then became SGL TransGroup in 2016 through the merger of Scan Global Logistics Holding ApS and TransGroup, a US-based freight forwarder (the "**SGL TransGroup**"). The Group is owned by AEA Investors and Financial Co-investors alongside Management.

### **History and development of the Guarantors**

#### **History and development of Scan Global Logistics Holding ApS**

Scan Global Logistics Holding ApS is a limited liability company incorporated in Denmark since 1 January 2007. It is registered with the Danish Business Authority with reg. no. 30177460, operating under the laws of Denmark and has no LEI Code. The registered office and headquarters of Scan Global Logistics Holding ApS is Kirstinehøj 7, Kastrup, Denmark with telephone number +45 32 48 00 00.

In accordance with the articles of association of Scan Global Logistics Holding ApS, adopted on 28 January 2019, Scan Global Logistics Holding ApS's objects are to carry out shipping, transport and related activities.

#### **History and development of Scan Global Logistics A/S**

Scan Global Logistics A/S is a public limited liability company incorporated in Denmark since 29 December 1989. It is registered with the Danish Business Authority with reg. no. 14049673, operating under the laws of Denmark with LEI code 549300M5XVDYG417CC28. The registered office and headquarters of Scan Global Logistics A/S is Kirstinehøj 7, Kastrup, Denmark with telephone number +45 32 48 00 00.

In accordance with the articles of association of the Scan Global Logistics A/S, adopted on 28 January 2019 the Scan Global Logistics A/S's objects are to carry out shipping, transport and related activities.

#### **History and development of SGL Express A/S**

SGL Express A/S is a public limited liability company incorporated in Denmark since 4 January 2019. It is registered with the Danish Business Authority with reg. no. 40139915, operating under the laws of Denmark and has no LEI Code. The registered office and headquarters of SGL Express A/S is Kirstinehøj 7, Kastrup, Denmark with telephone number +45 32 48 00 00.

In accordance with the articles of association of SGL Express A/S, adopted on 4 January 2019, SGL Express A/S's objects are to carry out shipping, transport and related activities.

#### **History and development of Scan Global Logistics AB**

Scan Global Logistics AB is a limited liability company incorporated in Sweden since 1 July 1993. It is registered with the Swedish Companies Registration office with reg. no. 556480-2782, operating under the laws of Sweden and has no LEI Code. The registered office and the headquarters of Scan Global Logistics AB is Kirstinehoj 7, Kastrup, Denmark with telephone number +45 32 48 00 00.

In accordance with the articles of association of Scan Global Logistics AB, adopted on 18 February 2019, Scan Global Logistics AB 's objects are to carry out shipping and any other activities that are deemed to be ancillary or related thereto.

#### **History and development of Crosseurope Aktiebolag**

Crosseurope Aktiebolag is a limited liability company incorporated in Sweden since 13 April 1993. It is registered with the Swedish Companies Registration office with reg. no. 556468-4305, operating under the laws of Sweden and has no LEI Code. The registered office and the headquarters of Crosseurope Aktiebolag is Persåkersvägen 18, 231 21 Trelleborg and the telephone number is +46 (0)410 58880.

In accordance with the articles of association of Crosseurope Aktiebolag, adopted on 29 June 2017, Crosseurope Aktiebolag's objects are to carry out services within the area of transport and forwarding, and carry out any other business incidental or related to the foregoing activities.

#### **History and development of Airlog Group Holding AB**

Airlog Group Holding AB is a limited liability company incorporated in Sweden since 12 November 2004. It is registered with the Swedish Companies Registration office with reg. no. 556672-3507, operating under the laws of Sweden and has no LEI Code. The registered address and the headquarters of Airlog Group Holding AB is Kirstinehoj 7, Kastrup, Denmark with telephone number +45 32 48 00 00.

In accordance with the articles of association of Airlog Group Holding AB, adopted on 6 March 2017, Airlog Group Holding AB's objects are to carry out transport business and provide transport services within air, sea and road and carry out any other business incidental or related to the foregoing activities.

#### **History and development of SGL Express AB**

SGL Express AB is a limited liability company incorporated in Sweden since 18 October 2011. It is registered with the Swedish Companies Registration office with reg. no. 556871-4116, operating under the laws of Sweden and has no LEI Code. The registered address and the headquarters of SGL Express AB is Bronsåldersgatan 10B, 213 76 Malmö with telephone number Tel: +46 40 690 03 81.

In accordance with the articles of association of SGL Express AB, adopted on 12 April 2017, SGL Express AB's objects are to carry out transportation and any other activities that are deemed to be ancillary or related thereto.

### **History and development of Scan Global Logistics Limited 晟嘉亞美有限公司**

Scan Global Logistics Limited 晟嘉亞美有限公司 is a limited liability company incorporated in Hong Kong since 22 August 2003. It is registered with the Companies Registry (Hong Kong) with reg. no. 858799, operating under the laws of Hong Kong and has no LEI Code. The registered address and the headquarters of Scan Global Logistics Limited 晟嘉亞美有限公司 is Unit 3003, 30/F Citicorp Center, 18 Whitfield Road Causeway Bay, Hong Kong, Hong Kong SAR, with telephone number is +852 21174 800.

In accordance with the articles of association of Scan Global Logistics Limited 晟嘉亞美有限公司, adopted on 3 October 2011, Scan Global Logistics Limited 晟嘉亞美有限公司's objects are to, amongst other things, carry out imports, exports, cargo services, air freight forwarding services of goods, raw material and merchandise of all kind.

### **History and development of Scan Global Logistics (Shanghai) Co., Ltd**

Scan Global Logistics (Shanghai) Co., Ltd is a limited liability company incorporated in Shanghai since 5 December 2006. It is registered with the Shanghai Municipal Bureau for Market Supervision and Administration, reg. no. 91310000794536674U, operating under the laws of laws of the People's Republic of China and has no LEI Code. The registered address and the headquarters of Scan Global Logistics (Shanghai) Co., Ltd is Suite 2001 - 2004, Finance Square, 333 Jiu Jiang Road, 200001 Shanghai China with telephone number +86 21 6350 1666.

In accordance with the articles of association of Scan Global Logistics (Shanghai) Co., Ltd, adopted on 10 January 2009, the Scan Global Logistics (Shanghai) Co., Ltd's objects are to is to provide quality service for the industries in China in need of international cargo freight forwarding service.

### **Business and operations**

SGL TransGroup is an asset-light freight forwarder and logistics provider with a global footprint and strong presence in North America and the Nordics. The SGL TransGroup 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 TransGroup 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 TransGroup holds world-leading positions in certain industry verticals such as Specialty Automotive and Food Ingredients & Additives. Customers are served through more than 100 offices located in 29 countries across five continents, supported by third-party agents where appropriate.

### **Brands and concepts**

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.

SGL TransGroup is considered a global freight forwarder as its core business is the procurement of air and sea intercontinental as well as overland local and regional transportation. The 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 freight services***

SGL TransGroup is a highly trusted organizer of air freight services and has built a leading position within complex logistics solutions in North America and the Nordics. The Group strengthened its presence in the Nordics in 2017 through the acquisition of the Swedish freight forwarder Airlog.

Due to the significantly higher costs of air transportation compared to sea freight, SGL TransGroup's air freight customers are typically characterized by high-value and/or time sensitive products which benefit from the Group's solution-oriented offering, which includes air charter to meet time sensitive schedules even in the most remote areas of the world. Due to the time-critical element of air cargo, services mainly include single shipments rather than freight consolidation with weekly departures, which is more common with sea freight.

The Group has global agreements with all major airlines with whom it works in close partnership to ensure that customers receive high quality services and flexible solutions. The Group serves approximately 8,200 air freight customers annually, relying on global agreements with all major airlines to provide services such as airport-to-airport, door-to-door, full and part charter, on-board courier, customs clearance, temperature control, and the transportation of restricted and hazardous goods. Through its network of carriers, the Group 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 Group 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.

### ***Ocean freight services***

Ocean freight is the largest segment of the Group, accounting for nearly one third of the Group's overall revenue and serving around 7,400 customers annually. Services include full container load ("FCL"), less than container load ("LCL"), port-to-port and door-to-door, customs clearance, temperature-controlled containers and the transportation of restricted and hazardous goods. In general, the Group does not participate in the more commoditized large-scale sea tenders as these operations will typically be unprofitable.

Through its extensive experience of operating within the sea freight industry, SGL TransGroup has developed a deep understanding of the global market and is specialized in serving customers with complex transportation requirements. The Group offers flexible transit and departure times and multiple options and space allocations with carefully selected carriers. Through its network the Group can provide weekly consolidation to and from over 500 destinations worldwide, ensuring a truly global offering.

### ***Surface freight services***

The Group's offering within surface freight encompasses primarily domestic trucking and rail transportation in North America, road freight between Denmark and the rest of the Nordics, and road freight between Sweden and continental Europe. The Group also offers an environmentally friendly alternative to air freight to its customers in China, whereby cargo is transported by rail from all major



business centres across China to the Group's hubs in Hamburg and Warsaw before being distributed to customers across the Nordics.

In line with its asset-light strategy, the Group only operates a limited number of own trucks, which ensures high flexibility whilst minimising capex requirements and utilisation risk.

The surface freight segment serves approximately 4,100 customers across North America and Europe. To support its operations, the Group 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 transportation routes and are used as consolidation points before the goods are redistributed to their final destination, whilst also constituting an efficient gateway to the Norwegian and Finnish markets.

Contrary to the Nordics, the Group does not operate own hubs in North America due to the region's vast size and multiple international transportation centres located throughout the region. The North American road market is therefore characterised by a higher share of direct shipments from origin to destination and less widespread use of major consolidation points, which is more common in the Nordics due to the relatively limited number of major transportation routes.

### ***Warehousing***

The 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 Group 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 Group's exposure.

Warehousing services are not a key focus area for the Group 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 (~106,000 m<sup>2</sup>) and in Denmark.

SGL TransGroup offers customs clearance services to all its customers, provided by an in-house team in North America and the Nordics and by professional customs brokers in other regions. Services include plain purchases, inward processing, outward processing, preferential customs, customs warehousing and returns and repairs.

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

The 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 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 Group's global network of capacity providers and partners, which enables the Group to deliver logistics solutions across the world.

The Group has established a global organisation with offices strategically located on five continents and 29 countries. The 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.

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 Group's presence in these markets and the plan is to carry out such an expansion over time.

### **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 500,700 divided into 5,007 shares.

The Issuer is wholly owned by Scan (UK) Midco Limited, Reg. No. 10201709, a UK private limited company operating under the laws of the United Kingdom. Scan (UK) Midco Limited is wholly owned by Scan (Jersey) Topco Limited Reg. No. 121653 a private limited company operating under the laws of Jersey. Scan (Jersey) Topco Limited is wholly owned by TGI US Topco Corp Reg. No. 6131910 a private limited company operating under the laws of the state of Delaware. TGI US Topco Corp is wholly owned by SGLT Holding II LP Reg. No. MC-86046, limited company operating under the laws of the Cayman Islands. SGLT Holding II LP is owned by AEA & Other Institutional Investors by (58.6%), Management (41%) and Independent Board Members: (0.4%).

### **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.

### **Share capital and ownership structure of the Guarantors**

#### **Share capital and ownership structure of Scan Global Logistics Holding ApS**

The shares of Scan Global Logistics Holding ApS are denominated in DKK. As of the date of this Prospectus, Scan Global Logistics Holding ApS had an issued share capital of DKK 3,530,839 divided into 1,638,026 series A shares and 1,892,813 series B shares. Each series A share carries one vote and the series B shares carries no vote. The series B shares have economic rights with factor 9:1 compared to series A shares. The Scan Global Logistics Holding ApS is wholly owned by the Issuer.

#### **Share capital and ownership structure of Scan Global Logistics A/S**

The shares of Scan Global Logistics A/S 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, Scan Global Logistics A/S had an issued share capital of DKK 1,901,650 divided into 1,901,650 of shares. Scan Global Logistics A/S is wholly owned by Scan Global Logistics Holding ApS.

#### **Share capital and ownership structure of SGL Express A/S**

The shares of SGL Express A/S 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, SGL Express A/S an

issued share capital of DKK 500,000 divided into 500,000 of shares. SGL Express A/S wholly owned by Scan Global Logistics A/S.

#### **Share capital and ownership structure of Scan Global Logistics AB**

The shares of Scan Global Logistics AB are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Scan Global Logistics AB has an issued share capital of SEK 100,000 divided into 1,000 of shares. Scan Global Logistics AB is wholly owned by SGL E-Commerce A/S.

#### **Share capital and ownership structure of Crosseurope Aktiebolag**

The shares of Crosseurope Aktiebolag are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Crosseurope Aktiebolag has an issued share capital of SEK 100,000 divided into 1,000 of shares. Crosseurope Aktiebolag is wholly owned by Scan Global Logistics AB.

#### **Share capital and ownership structure of Airlog Group Holding AB**

The shares of Airlog Group Holding AB are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Airlog Group Holding AB has an issued share capital of SEK 2,000,000 divided into 1,000 of shares. Airlog Group Holding AB is wholly owned by Airlog Group Denmark A/S.

#### **Share capital and ownership structure of SGL Express AB**

The shares of SGL Express AB are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, SGL Express AB has an issued share capital of SEK 1,000,000 divided into 1,000,000 of shares. SGL Express AB is wholly owned by Airlog Group Sweden AB.

#### **Share capital and ownership structure of Scan Global Logistics Limited 晟嘉亞美有限公司**

The shares of Scan Global Logistics Limited 晟嘉亞美有限公司 are denominated in HKD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Scan Global Logistics Limited 晟嘉亞美有限公司 has an issued share capital of HKD 500,000 divided into 500,000 shares. Scan Global Logistics Limited 晟嘉亞美有限公司 is wholly owned by Scan Global Logistics (Wuxi) Ltd.

#### **Share capital and ownership structure of Scan Global Logistics (Shanghai) Co., Ltd**

The shares of Scan Global Logistics (Shanghai) Co., Ltd are denominated in USD. As of the date of this Prospectus, Scan Global Logistics (Shanghai) Co., Ltd has an issued share capital of USD 1,650,000. Scan Global Logistics (Shanghai) Co., Ltd is wholly owned by Scan Global Logistics Limited 晟嘉亞美有限公司.

#### **Overview of Group structure**

Currently, the Issuer has, directly and indirectly, 40 wholly-owned subsidiaries and 5 partially owned subsidiaries.

Operations are 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.

**Recent events**

There has been no recent event particular to the Group 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 Group since the date of publication of its last audited annual accounts and no significant change in the financial or trading position of the Group since the end of the last financial period for which audited financial information has been published.

**Legal and arbitration proceedings**

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group 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 rating agency S&P Global Ratings Europe Limited ("**Standard & Poor's**") has assigned the rating "B (outlook stable)" to the Issuer. Obligations of issuers rated 'B' by Standard & Poor's are judged to be speculative. 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.

The rating agency Fitch Ratings has assigned the rating "B- (outlook stable)" to the Issuer. Obligations of issuers rated 'B-' by Fitch Ratings are judged to be speculative. Fitch Ratings is an American credit rating agency designated by the U.S Securities and Exchange Commission in 1975.

## MANAGEMENT

On the date of this Prospectus the board of directors of the Issuer consisted of 5 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Henrik von Sydow, chairman of the board since 2017.***

**Education:** Forwarding, advisor and investor.

**Current commitments:** Chairman at Scan Bidco A/S

***Allan Dyrgaard Melgaard, member of the board since 2018.***

**Education:** Forwarding and logistics.

**Current commitments:** Group CEO and founder

***Claes Brønsgaard Pedersen, member of the board since 2018.***

**Education:** TIO International Executive Program. Graduate Diploma in Business Administration, Financial and management accounting.

**Current commitments:** Global CFO

***Thomas Thellufsen Nørgaard, member of the board since 2018.***

**Education:** Forwarding and logistics.

**Current commitments:** CEO Road and Warehouse Solutions.

***Jørgen Agerbro Jessen, member of the board since 2018.***

**Education:** Forwarding and logistics.

**Current commitments:** Co-founder/co-owner and Executive Vice President & Global Head of ADP.

### Management

***Allan Melgaard, Group CEO***

Allan Melgaard is the one of the co-founders of Scan Global Logistics A/S and currently holds the position as CEO. He was previously the CSO and co-CEO of Mahé.

***Claes Brønsgaard Pedersen, Global CFO***

Claes Brønsgaard Pedersen joined the Group in 2017 coming from several CFO positions in international companies, lastly as Group CFO EMEA at Getinge AB.

***Jørgen Jessen, EVP***

Jørgen Jessen is the one of the co-founders of Scan Global Logistics A/S and currently holds the position as executive vice president. He was previously the COO and co-CEO of Mahé.

***Thomas Nørgaard, CEO Road & Solution***

Thomas Nørgaard is the Nordic CEO, the Issuer Group's largest market. His previous experience includes the position of director of road and logistics of Mahé Euro.

***Johan Rosenkvist, CEO Sweden***

Johan Rosenkvist is CEO for the Group's Swedish operations.

## MANAGEMENT

On the date of this Prospectus the board of directors of Scan Global Logistics Holding ApS consisted of 5 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Henrik von Sydow, chairman of the board since 2018.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Allan Dyrsgaard Melgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Claes Brønsgaard Pedersen, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Jørgen Agerbro Jessen, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Allan Melgaard, Group CEO***

see page 45 above.

## MANAGEMENT

On the date of this Prospectus the board of directors of Scan Global Logistics A/S consists of 5 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Henrik von Sydow, chairman of the board since 2018.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Allan Dyrgaard Melgaard, member of the board since 2016.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Claes Brønsgaard Pedersen, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Jørgen Agerbro Jessen, member of the board since 2016.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Allan Melgaard, Group CEO***

see page 45 above.



## MANAGEMENT

On the date of this Prospectus the board of directors of SGL Express A/S consists of 5 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Henrik von Sydow, chairman of the board since 2019.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Allan Dyrgaard Melgaard, member of the board since 2019.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Claes Brønsgaard Pedersen, member of the board since 2019.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Thomas Thellufsen Nørgaard, member of the board since 2019.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Jørgen Agerbro Jessen, member of the board since 2019.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Hans Möller, Nordic Director since 2019***

Hans Möller is the Nordic Director of SGL Express A/S. He has a Master in Marketing from IHM business school and is also responsible for express and parcel services.

## MANAGEMENT

On the date of this Prospectus the board of directors of Scan Global Logistics AB consists of 3 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Allan Dyrgaard Melgaard, chairman of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Claes Brønsgaard Pedersen, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Johan Rosenkvist, CEO***

See page 46 above.

## MANAGEMENT

On the date of this Prospectus the board of directors of Crosseurope Aktiebolag consists of 3 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Box 13, 231 21 Trelleborg. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Claes Brønsgaard Pedersen, chairman of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Peter Iwan Andersson, member of the board since 2017.***

**Education:** Forwarding and logistics.

**Current commitments:** Managing Director road division

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Peter Iwan Andersson, Managing Director road division since 2017***

Peter Iwan Andersson was appointed Managing Director for the road division in Crosseurope Aktiebolag in 2017. He has an education in forwarding and logistics.

## MANAGEMENT

On the date of this Prospectus the board of directors of Airlog Group Holding AB consists of 3 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Allan Dyrgaard Melgaard, chairman of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Johan Rosenkvist, member of the board since 2017.***

**Education:** see page 46 above.

**Current commitments:** see page 46 above.

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Johan Rosenkvist, CEO***

See page 46 above.

## MANAGEMENT

On the date of this Prospectus the board of directors of SGL Express AB consists of 3 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Bronsåldersgatan 10 B, 213 76 Malmö. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Allan Dyrgaard Melgaard, chairman of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Johan Rosenkvist, member of the board since 2013.***

**Education:** see page 46 above.

**Current commitments:** see page 46 above.

***Thomas Thellufsen Nørgaard, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Johan Rosenkvist, CEO***

See page 46 above.

## MANAGEMENT

On the date of this Prospectus the board of directors of Scan Global Logistics Limited 晟嘉亞美有限公司 consists of 3 members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Citicorp Center, 18 Whitfield Road Causeway Bay, Hong Kong. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Allan Dyrgaard Melgaard, chairman of the board since 2010.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Claes Brønsgaard Pedersen, member of the board since 2017.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Jørgen Agerbro Jessen, member of the board since 2010.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

### Management

***Adam Fong, General Manager since 2016***

Adam Fong was appointed General Manager of Scan Global Logistics Limited 晟嘉亞美有限公司 in 2016. He is currently Managing Directors for Greater China and has a MSc in international shipping and transport logistics.

## MANAGEMENT

On the date of this Prospectus the board of directors of Scan Global Logistics (Shanghai) Co., Ltd consists of 4 members which have been elected by the general meeting. The board of directors and the senior management can be contacted at its headquarters at Suite 2001 - 2004, Finance Square, 333 Jiu Jiang Road, 200001 Shanghai China. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Allan Dyrgaard Melgaard, chairman of the board since year 2010.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Rickard Ingvarsson, member of the board since 2019.***

**Education:** Forwarding and logistics.

**Current commitments:** CEO Asia and Global head of airfreight.

***Jørgen Agerbro Jessen, member of the board since 2010.***

**Education:** see page 45 above.

**Current commitments:** see page 45 above.

***Adam Fong, member of the board since 2019.***

**Education:** MSc in International shipping and transport logistics.

**Current commitments:** Managing Director, Greater China.

### Management

***Isabel Ge, General Manager since 2016***

Isabel Ge was appointed General Manager of Scan Global Logistics (Shanghai) Co., Ltd in 2016. She is currently the General Manager for Central China and has a Bachelor in Economics.

**Conflicts of interest within administrative, management and control bodies**

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

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

The Sole 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 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 Group's consolidated financial statements for the financial year ended 31 December 2018 and the figures for the financial year ended 31 December 2017 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.

The Group's consolidated financial statements for the financial year ended 31 December 2018 and 31 December 2017 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU. Furthermore, the Group also applies the and additional requirements of the Danish Financial Statements Act.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2018 and for the financial year ended 31 December 2017, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2018 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 18;
- consolidated balance sheet, page 19;
- consolidated cash flow statement, page 21;
- consolidated statement of changes in equity, page 22;
- notes, page 23; and
- the audit report, page 82.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Group's consolidated financial statements for the financial year ended 31 December 2017 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2017 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2017.

- consolidated income statement, page 18;
- consolidated balance sheet, page 19;
- consolidated cash flow statement, page 22;
- consolidated statement of changes in equity, page 21;
- notes, page 23; and
- the audit report, page 81.

The Group's unaudited consolidated financial statements for the financial period 1 January 2019 – 30 September 2018 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 7;
- consolidated balance sheet, page 8;
- consolidated cash flow statement, page 10;
- consolidated statement of changes in equity, page 11; and

- notes, page 12.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Group's unaudited consolidated financial statements for the period 1 January 2018 – 30 September 2018 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial period 1 January 2018 – 30 September 2018 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial period 1 January 2018 – 30 September 2018;

- consolidated income statement, page 6;
- consolidated balance sheet, page 7;
- consolidated cash flow statement, page 10;
- consolidated statement of changes in equity, page 9; and
- notes, page 11.

### **Auditing of the annual historical financial information**

The Company's consolidated financial statements as at present and for the years 2017 to 2018 have been audited, as applicable, by Ernst & Young Godkendt Revisionspartnerselskab ("**Ernst & Young**"), Osvald Helmuths Vej 4, Postboks 250, 2000 Frederiksberg, Denmark. Ernst & Young has been the Company's auditor since 2016, and was re-elected for an additional year on the latest annual general meeting. Søren Skov Larsen and Allan Nørgaard are the auditors who are responsible for the Company. 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 consolidated 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 financial report for the period 1 January 2019 to 30 September 2019, which was published on 29 November 2019 on the Issuer's website [scangl.com](http://scangl.com).

## OTHER INFORMATION

### Assurance regarding the Prospectus

The Issuer is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 215,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of EUR 315,000,000. Each Bond has a nominal amount of EUR 1,000. The ISIN for the Bonds is SE0013101219.

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

### Representation of the Bondholders

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

### The Guarantors

Information with respect to each Guarantor is set out below. Each Guarantor may be contacted through the address of the Company.

- Scan Global Logistics Holding ApS is a limited liability company incorporated in Denmark since 1 January 2007. It is registered with the Danish Business Authority with reg. no. 30177460, operating under the laws of Denmark. The registered office and headquarters of Scan Global Logistics Holding ApS is Kirstinehoj 7, Kastrup, Denmark.
- Scan Global Logistics A/S is a public limited liability company incorporated in Denmark since 29 December 1989. It is registered with the Danish Business Authority with reg. no. 14049673. The registered office and headquarters of Scan Global Logistics A/S is Kirstinehoj 7, Kastrup, Denmark.
- SGL Express A/S is a public limited liability company incorporated in Denmark since 4 January 2019. It is registered with the Danish Business Authority with reg. no. 40139915, operating under the laws of Denmark. The registered office and headquarters of SGL Express A/S is Kirstinehoj 7, Kastrup, Denmark.
- Scan Global Logistics AB is a limited liability company incorporated in Sweden since 1 July 1993. It is registered with the Swedish Companies Registration office with reg. no. 556480-2782, operating under the laws of Sweden. The registered office and the headquarters of Scan Global Logistics AB is Kirstinehoj 7, Kastrup, Denmark.

- Crosseurope Aktiebolag is a limited liability company incorporated in Sweden since 13 April 1993. It is registered with the Swedish Companies Registration office with reg. no. 556468-4305, operating under the laws of Sweden. The registered office and the headquarters of Crosseurope Aktiebolag is Box 13, 231 21 Trelleborg.
- Airlog Group Holding AB is a limited liability company incorporated in Sweden since 12 November 2004. It is registered with the Swedish Companies Registration office with reg. no. 556672-3507, operating under the laws of Sweden. The registered address and the headquarters of Airlog Group Holding AB is Kirstinehoj 7, Kastrup, Denmark
- SGL Express AB is a limited liability company incorporated in Sweden since 18 October 2011. It is registered with the Swedish Companies Registration office with reg. no. 556871-4116, operating under the laws of Sweden. The registered address and the headquarters of SGL Express AB is Bronsåldersgatan 10 B, 213 76 Malmö.
- Scan Global Logistics Limited 晟嘉亞美有限公司 is a limited liability company incorporated in Hong Kong since 22 August 2003. It is registered with the Companies Registry (Hong Kong) with reg. no. 858799, operating under the laws of Hong Kong. The registered address and the headquarters of Scan Global Logistics Limited 晟嘉亞美有限公司 is Citicorp Center, 18 Whitfield Road Causeway Bay, Hong Kong.
- Scan Global Logistics (Shanghai) Co., Ltd is a limited liability company incorporated in Shanghai since 5 December 2006. It is registered with the Shanghai Municipal Bureau for Market Supervision and Administration, reg. no. 91310000794536674U, operating under the laws of the People's Republic of China. The registered address and the headquarters of Scan Global Logistics (Shanghai) Co., Ltd is Suite 2001 - 2004, Finance Square, 333 Jiu Jiang Road, 200001 Shanghai China.

### Material contracts

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

### 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 website at scangl.com:

- the Group's consolidated financial statements for the financial year ended 31 December 2018, including the audit report for the financial year ended 31 December 2018
- page 18 – 81 from the Group's consolidated financial statements for the financial year ended 31 December 2017, including the audit report for the financial year ended 31 December 2017.

### Documents available for inspection

The following documents are available at the Company's headquarters at Kirsinehøj 7, 2770 Kastrup, Denmark, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- Scan Global Logistics Holding ApS's articles of association;
- Scan Global Logistics Holding ApS's certificate of registration;
- Scan Global Logistics A/S's articles of association;
- Scan Global Logistics A/S's certificate of registration;
- SGL Express A/S's articles of association;
- SGL Express A/S's certificate of registration;
- Scan Global Logistics AB's articles of association;
- Scan Global Logistics AB's certificate of registration;
- Crosseurope Aktiebolag's articles of association;
- Crosseurope Aktiebolag's certificate of registration;
- Airlog Group Holding AB's articles of association;
- Airlog Group Holding AB's certificate of registration;
- SGL Express AB's articles of association;
- SGL Express AB's certificate of registration;
- Scan Global Logistics Limited 晟嘉亞美有限公司's articles of association;
- Scan Global Logistics Limited 晟嘉亞美有限公司's certificate of registration;
- Scan Global Logistics (Shanghai) Co., Ltd's articles of association;
- Scan Global Logistics (Shanghai) Co., Ltd's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2018 and for the financial year ended 31 December 2017;
- this Prospectus;
- the Issuer Intercreditor Agreement;
- US HoldCo Intercreditor Agreement; and
- the Guarantee and Adherence Agreement.

The following documents are also available in electronic form on the Company's website [scangl.com](http://scangl.com):

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2018 and for the financial year ended 31 December 2017;
- the Issuer's articles of association;
- the Issuer's certificate of registration;
- Scan Global Logistics Holding ApS's articles of association;
- Scan Global Logistics Holding ApS's certificate of registration;
- Scan Global Logistics A/S's articles of association;
- Scan Global Logistics A/S's certificate of registration;
- SGL Express A/S's articles of association;
- SGL Express A/S's certificate of registration;
- Scan Global Logistics AB's articles of association;
- Scan Global Logistics AB's certificate of registration;
- Crosseurope Aktiebolag's articles of association;
- Crosseurope Aktiebolag's certificate of registration;
- Airlog Group Holding AB's articles of association;
- Airlog Group Holding AB's certificate of registration;
- SGL Express AB's articles of association;
- SGL Express AB's certificate of registration;
- Scan Global Logistics Limited 晟嘉亞美有限公司's articles of association;
- Scan Global Logistics Limited 晟嘉亞美有限公司's certificate of registration;
- Scan Global Logistics (Shanghai) Co., Ltd's articles of association;
- Scan Global Logistics (Shanghai) Co., Ltd's certificate of registration;
- this Prospectus;

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 400,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a 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).

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

"**Advance Purchase 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.

"**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, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

"**Agent**" means Intertrust (Sweden) AB, reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

"**Bondholder**" means the Person who is registered on a Securities Account as direct registered owner (*Sw. 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 other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

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

"**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 the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

"**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 calculations and figures in respect of the Net Leverage Ratio);
- (c) if the Compliance Certificate is provided in connection with the audited annual financial statements, confirmation of any required clean down of the Working Capital Facilities, if applicable; and/or
- (d) if the Compliance Certificate is provided in connection with the unaudited annual interim financial statements of the Group, the nomination of Material Group Companies.

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

"**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 are not in excess



of an amount equal to (i) 12.50 per cent. of EBITDA in the Reference Period less any adjustments already made pursuant to paragraph 12.4(a)(i)(C);

- (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 item (b) 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.

"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 Reuters 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; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for the relevant period; or

- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing 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.

**"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.

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

**"Existing CSD"** means Verdicentralen ASA (VPS) in Norway, the Issuer's central securities depository and registrar in respect of the Refinancing Debt.

**"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 4 November 2024.

**"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:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Guarantee and Adherence Agreement;
- (f) the US HoldCo Adherence Agreement;
- (g) the US HoldCo Intercreditor Agreement;
- (h) the Issuer Intercreditor Agreement; and
- (i) 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:

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

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

"**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)(iii).

"**First Issue Date**" means 4 November 2019.

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

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

"**Group**" means the Issuer and US HoldCo, and all their respective Subsidiaries from time to time and

"**Group Company**" means any of them.

"**Guarantee and Adherence Agreement**" means the guarantee and adherence agreement pursuant to which the Guarantors shall, amongst other, guarantee all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses.

"**Guarantee**" means the guarantee 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 13.18 (*Additional Guarantors*).

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

**"Initial Guarantors"** means Scan Global Logistics Holding ApS, Scan Global Logistics A/S, SGL Express A/S, Scan Global Logistics AB, Crosseurope AB, Airlog Group Holding AB, SGL Express AB, Scan Global Logistics Limited 晟嘉亞美有限公司 and Scan Global Logistics (Shanghai) Co., Ltd.

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

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

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

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, 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 (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Intercreditor Agreements"** means the Issuer Intercreditor Agreement and the US HoldCo Intercreditor Agreement.

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

**"Interest Payment Date"** means 4 February, 4 May, 4 August and 4 November. The first Interest Payment Date shall be 4 February 2020. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means EURIBOR plus the Floating Rate Margin.

**"Issuer"** SGL TransGroup International A/S, business identity code 37521043.

**"Issuer Intercreditor Agreement"** means the intercreditor agreement entered into between, amongst other, the Issuer, 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) or any intercreditor agreement entered into on substantially the same terms.

**"Issuer Group"** means the Issuer and its Subsidiaries.

**"Issuer Group Transaction Security"** means the following Transaction 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 equity interests currently issued in the Issuer, US HoldCo and each Guarantor;

- (c) a pledge over any Material Intercompany Loan made by the Issuer to US HoldCo or any Material Group Company (other than Scan Global Logistics (Shanghai) Co., Ltd) and provided that all loans from the Issuer to the US HoldCo or any of its Subsidiaries shall be subordinated to the Revolving Loan Debt;
- (d) a pledge over floating charges or business mortgages in the business of Scan Global Logistics A/S and Scan Global Logistics Limited 晟嘉亞美有限公司 provided that 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; and
- (e) any further Security granted pursuant to these Terms and Conditions or the Issuer Intercreditor Agreement (other than any Security granted by US HoldCo or any of its Subsidiaries).

"**Issuer ICA Secured Parties**" shall have the meaning given to the term "Secured Parties" in the Issuer Intercreditor Agreement.

"**Issuing Agent**" means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**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 paragraph 13.3 (*Listing*).

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

"**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 NASDAQ Stockholm or any other regulated or 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 Legal Reservations and 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:

- (a) means the Issuer, US HoldCo, Transfair North America International Freight Services, LLC, SGL TransGroup International A/S, Scan Global Logistics Holding ApS, Scan Global Logistics A/S, SGL Express A/S, ScanAm Global Logistics AB, Crosseurope AB, Airlog Group Holding AB, SGL Express AB, Scan Global Logistics Ltd. and Scan Global Logistics (Shanghai) Co., Ltd; and
- (b) 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 is at least in an amount exceeding EUR 1,000,000.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"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 aggregate interest bearing debt, being Financial Indebtedness under paragraphs (a), (b), (c), (f) and (g) (only in respect of Financial Indebtedness described in clauses (a) through (c) and (f) of the definition thereof) to the extent treated as such in accordance with the applicable Accounting Principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Subordinated Loans, any claims subordinated pursuant to a subordination agreement in form and substance satisfactory to the Agent and interest bearing debt 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 the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that their respective fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Voluntary partial redemption*).

**"Obligors"** means the Issuer, US HoldCo and each Guarantor, each an **"Obligor"**.

**"Parent"** means SGLT Holding II LP, business identity code MC-86046.

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

- (a) incurred under the Bonds (excluding Subsequent Bonds);
- (b) of the Group incurred pursuant to any financial leasing arrangements pursuant to item (b) of the definition "Financial Indebtedness" incurred in the ordinary course of the Group's business in a maximum amount of USD 500,000;

- (c) incurred by the Group pursuant to any leases relating to rentals of office spaces, warehouses and other premises;
- (d) taken up from a Group Company;
- (e) 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;
- (f) 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;
- (g) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (h) 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);
- (i) related to any Subordinated Loans;
- (j) incurred under Advance Purchase Agreements;
- (k) 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 (6) months following the date of the acquisition;
- (l) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue by the Issuer under the Terms and Conditions, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and has a final maturity date or a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (m) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (n) 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), for the purposes of securing, inter alia, the redemption of the Bonds;
- (o) until the Conditions Precedent for Disbursement have been fulfilled (however with due regard to the payment mechanisms of the Existing CSD), any Refinancing Debt;

- (p) incurred by (A) the Issuer or its direct or indirect Subsidiaries under one or several working capital facilities, which, if secured, is subject to the Issuer Intercreditor Agreement or (B) US HoldCo or its direct or indirect Subsidiaries under one or several working capital facilities, which, if secured, is subject to the US HoldCo Intercreditor Agreement, provided for the general corporate purposes of the Group in a maximum aggregate amount being the higher of (i) EUR 35,000,000 and (ii) an amount equal to 15 per cent. of the aggregate of the Total Nominal Amount and the total commitment of any Working Capital Facilities; and
- (q) not covered under items (a)-(p) above in an aggregate maximum amount of EUR 1,500,000.

"Permitted Security" means any Security:

- (a) granted under the Finance Documents;
- (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) until the Conditions Precedent for Disbursement have been fulfilled (however with due regard to the payment mechanisms of the Existing CSD), provided for any Refinancing Debt;
- (k) provided for debt permitted under paragraph (k) of Permitted Debt but only over assets held, directly or indirectly, by such acquired entity;
- (l) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);



- (m) provided for the Working Capital Facilities;
- (n) over Cash and Cash Equivalents or other property arising in connection with any defeasance, discharge or redemption of Financial Indebtedness;
- (o) over property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets; and
- (p) not covered by items (a)-(o) securing Financial Indebtedness or other obligations up to an aggregate amount at any one time not exceeding EUR 1,000,000.

"**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 a bank account of the Issuer, into which the Net Proceeds 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 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.

"**Qualified Receivables**" means on-time receivables with less than 90 days maturity extended to (i) clients which have a credit rating of either BBB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody's Investor Service Limited and (ii) Supranational Organisations.

"**Record Date**" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

"**Refinancing Debt**" means the up to USD 250,000,000 senior secured dual-tranche bond loan with ISIN NO0010768062 and NO0010768070 respectively issued by the Issuer.

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

"**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.

**"Secured Obligations"** shall have the meaning given to such term in the Issuer Intercreditor Agreement.

**"Secured Parties"** means

- (a) in relation to the Issuer Group Transaction Security, the Issuer ICA Secured Parties; and
- (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).

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

**"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 Issuer Intercreditor Agreement and these Terms and Conditions, holding the Transaction Security on behalf of the Secured Parties, being Intertrust (Sweden) AB on the First Issue Date.

**"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.

**"Sole Bookrunner"** means Pareto Securities AB.

**"Subordinated Loans"** means any loan of the Issuer or US HoldCo, where the Issuer or US HoldCo is the debtor, if such loan (a) according to its terms and pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Terms and Conditions, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (c) according to its terms yield only payment-in-kind interest.

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

**"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:

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

**"Super Senior Debt"** has the meaning given thereto in the Issuer Intercreditor Agreement.

**"Super Senior RCF"** has the meaning given thereto in the Issuer Intercreditor Agreement.

**"Supranational Organisations"** means UNICEF, the United Nations, the World Health Organization and the United Nations Population Fund, including for the avoidance of doubt, any subsidiary or affiliate of any such organisation.

**"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 Bond Issue (ii) the listing of the Bonds, (iii) any acquisition of another entity and (iv) an Equity Listing Event.

**"Transaction Security"** means the Issuer Group Transaction Security and the US HoldCo Transaction Security.

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

**"US HoldCo Adherence Agreement"** means the adherence agreement pursuant to which the US HoldCo undertake to adhere to certain undertakings under these Terms and Conditions.

**"US HoldCo Intercreditor Agreement"** means the intercreditor agreement 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) or any intercreditor agreement entered into on substantially the same terms.

**"US HoldCo Group"** means US HoldCo and its Subsidiaries constituting Material Group Companies.

**"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 Transaction Security"** means following Transaction 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; 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.

**"Working Capital Facilities"** means the working capital facilities described in paragraph (p) 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) 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.
- (d) 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.

## 2. **Status of the Bonds**

- (a) The Bonds are denominated in Euro 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 initial nominal amount of each Initial Bond is EUR 1,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is EUR 215,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in the Initial Bond Issue is EUR 100,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the

ISIN, the Interest Rate, the 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 315,000,000 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.

- (f) 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) the super senior ranking of the Super Senior Debt and the Revolving Loan Debt in accordance with the Intercreditor Agreements.
- (g) 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.
- (h) 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**

The Net Proceeds of the Bond Issue shall be used to (i) refinance the Refinancing Debt, (ii) pay Transaction Costs, and (iii) finance general corporate purposes of the Group, including acquisitions, investments and repayment of any outstanding amount under any existing Working Capital Facilities.

Net Proceeds from a Subsequent Bond Issue shall be used to finance general corporate purposes, including acquisitions, investments and repayment of any outstanding amount under the Working Capital Facilities.

### **4. Conditions Precedent**

#### **9.1 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 the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
  - (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 Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed;

- (iii) a copy of a duly signed unconditional and irrevocable call notice for the repayment of the Refinancing Debt, such repayment to take place no later than upon the disbursement of the Net Proceeds from the Proceeds Account (however, with due regard to the payment mechanisms of the Existing CSD);
  - (iv) evidence by way of a duly executed release letter from the agent under the Refinancing Debt that the security existing in favour of the Refinancing Debt will be released and discharged upon repayment of the Refinancing Debt;
  - (v) evidence that the Transaction Security has been duly provided and perfected or will be perfected immediately (other than any filings or registrations or similar step which are to be completed as soon as practicable following disbursement) following disbursement or, in relation to security granted for the Refinancing Debt, following repayment of the Refinancing Debt in accordance with 4.1(b)(iii) above with regards to the payment mechanics to the Existing CSD;
  - (vi) an agreed form Compliance Certificate;
  - (vii) legal opinion(s) on the capacity and due execution, in respect of any entity being party to a Finance Document that is not organised in Sweden issued by a reputable law firm; and
  - (viii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above 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 received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) 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 release the pledge over the Proceeds Account.
- (e) If 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 within ninety (90) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together with any accrued but unpaid Interest and the funds in the Proceeds Account shall in such case be applied in redemption of the Bonds on behalf of the Issuer. 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 shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the ninety (90) Business Days period referred to above.

## **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. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

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

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation 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 proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

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

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date immediately prior to an Interest Payment Date or other relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect any payment in accordance with this Clause 7, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (e) If the Issuer is required by Danish law to withhold any tax from any payment in respect of the Bonds under the Finance Documents:
  - (i) the amount of the payment due from the Issuer will be increased to such amount which is necessary to ensure that the Bondholders or the Agent, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
  - (ii) at the request of the Agent, the Issuer will deliver to the Agent evidence that the required tax deduction or withholding has been made.

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.



## 9. Redemption and Repurchase of the Bonds

### 9.1 *Redemption at maturity*

The Issuer shall redeem all, but not 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 may at the Issuer's discretion be retained or sold but not cancelled.

### 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 date falling 30 months after the First Issue Date at an amount per Bond equal to 103.375 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to but not including the date falling 30 months after the First Issue Date together with accrued but unpaid Interest;
  - (ii) any time from and including the date falling 30 months after the First Issue Date to, but excluding, the date falling 36 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 date falling 36 months after the First Issue Date to, but excluding, the date falling 42 months after the First Issue Date at an amount per Bond equal to 102.700 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the date falling 42 months after the First Issue Date to, but excluding, the date falling 48 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 date falling 48 months after the First Issue Date to, but excluding, the date falling 54 months after the First Issue Date at an amount per Bond equal to 101.350 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (vi) any time from and including the date falling 54 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.675 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent.

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) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant Record Date to the date falling 30 months after the First Issue 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, repay up to 30 per cent. of the total Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata. 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 price 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 date falling 30 months after the First Issue 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 to the Call Option Amount for the relevant period together with accrued but unpaid Interest.
- (b) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in EUR and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

#### **9.5 *Mandatory repurchase due to a Change of Control Event or 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 sixty (60) days following a notice from the Issuer of the Change of Control Event or Listing Failure Event, pursuant to Clause 11.1(e) (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 Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(e) 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(e). The repurchase date must fall no later than twenty (20) 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.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold, but not cancelled.

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

- (a) Subject to the Issuer Intercreditor Agreement and applicable corporate law limitations, 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 Issuer Group Transaction Security and the Guarantees (as applicable) to the Issuer ICA Secured Parties as represented by the Security Agent on the terms set out in the relevant Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) 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) 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, and 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.
- (d) 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 HoldCo Transaction Security or in accordance with the Issuer Intercreditor Agreement in relation to the Guarantees or the Issuer Group 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' or 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.
- (e) 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.

## 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 Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated report of SGLT Holding I LP, business identity code 86045, in a format comparable to the report prepared for the financial year ending 31 December 2018;
  - (iii) as soon as the same become available, but in any event within two (2) months after the end of the relevant interim period, the semi-annual unaudited consolidated report or the year-end report (as applicable), of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iv) 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), of the Parent, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors.
- (b) 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 and any MTF on which the Bonds are traded.
- (c) 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 Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) 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.

- (f) 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.
- (g) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
- (i) in connection with the incurrence of Financial Indebtedness or the making of a Restricted Payment;
  - (ii) in connection with the annual audited consolidated financial statements with respect to the clean down of the Working Capital Facilities; and
  - (iii) in connection with the yearly interim unaudited consolidated reports of the Group with respect to nomination of Material Group Companies.
- (h) 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.
- (i) 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 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) 5.25x until 31 March 2021;
  - (ii) 5.00x until 31 March 2022;
  - (iii) 4.75x until 31 March 2023;
  - (iv) 4.50x until 31 March 2024;
  - (v) 4.25x until the Final Redemption Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness.

### **12.2 Dividend Test**

The Dividend Test is met if the Net Leverage Ratio is not greater than 3.50x and no Event of Default is continuing or would occur upon the making of the Restricted Payment.

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

- (a) The calculation of the Net Leverage Ratio shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of the new Financial Indebtedness pursuant to clause 2(e) (*Status of the Bonds*) or pursuant to paragraphs (k) and (l) of the definition of "Permitted Debt" or the making of a Restricted Payment pursuant to clause 13.2(b)(iii) (*Restricted Payments*) (as applicable). The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be calculated as set out under Clause 12.4 (*Calculation Adjustments*) below.
- (b) Notwithstanding the above, 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 be made based on the Net Leverage Ratio for the acquired entity only on a stand-alone basis (without the Group). The Net Interest Bearing Debt shall be measured for the relevant 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) EBITDA, Finance Charges and Net Finance Charges
- (i) 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:
- (A) 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;
- (B) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period; and
- (C) the pro forma calculation of EBITDA shall be adjusted to take into account the net cost savings and other reasonable cost synergies ("**Cost Adjustments**"), as the case may be, realisable by the Group during the Reference Period as a result of acquisitions and/or disposals of entities referred to in (A) or (B) above, provided that such Cost Adjustments (i) have been confirmed by a reputable accounting firm and the Issuer has provided evidence thereof to the Agent, (ii) do not exceed 5.00 per cent of EBITDA prior to the inclusion of the Cost Adjustments, and (iii) are specified in the quarterly reports of the Group and in each Compliance Certificate.

## 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 and US HoldCo shall not, and shall procure that none of their 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 its shareholders;
- (iv) repay any Subordinated Loan or pay any interest thereon;
- (v) grant any loans except to Group Companies; or
- (vi) make any other similar distribution or transfers of value to the Issuer's, US HoldCo's or the Subsidiaries', direct and indirect shareholders (other than the Issuer, US HoldCo

or a Subsidiary of the Issuer or US HoldCo) 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 13.2(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 or the US HoldCo or a direct or indirect Subsidiary of the US HoldCo but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer or US HoldCo, is made on a pro rata basis; and/or
  - (iii) following an Equity Listing Event by the Issuer and a full repayment in accordance with the Equity Claw Back if:
    - (A) the Dividend Test is met (calculated on a pro forma basis including the relevant Restricted Payment); and
    - (B) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous financial year adjusted for any distribution to any minority shareholder.
- (c) Notwithstanding the above, the Issuer may make payments to the Main Shareholders (or an Affiliate of the Main Shareholders) covering, inter alia, annual monitoring fees and administrative expenses, in a maximum aggregate amount not exceeding the lower of (i) EUR 1,750,000 and (ii) 5 per cent. of EBITDA of the Group for the Relevant Period covered by the most recent Financial Report, for each 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) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within 60 days after the First Issue Date and with an intention to complete such listing within 30 days after the First Issue Date;
- (b) any Subsequent Bonds are listed on the corporate bond list on Nasdaq Stockholm or 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 after the issuance of such Subsequent Bonds; and
- (c) The Issuer shall ensure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange (or any stock exchange replacing it) as soon as reasonably practicable after the First Issue Date or after the issuance of Subsequent Bonds (as applicable) and remain listed on such exchange until the Bonds have been redeemed in full.
- (d) The Bonds, once admitted to trading on the corporate bond list of the relevant Regulated Market or MTF (as applicable), continue to be listed thereon for as long as any Bond is



outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **13.4 Nature of Business**

The Issuer and US HoldCo 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.

#### **13.5 Financial Indebtedness**

No Obligor shall, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, other than Permitted Debt.

#### **13.6 Disposal of Assets**

The Issuer and US HoldCo shall not, and shall procure that none of their Subsidiaries will, sell or otherwise dispose of any shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets or operations to any person other than:

- (a) to the Issuer or any member of the Issuer Group;
- (b) to US HoldCo or any of its Subsidiaries;
- (c) disposal of accounts receivables by way of non-recourse factoring or invoice discounting; or
- (d) to any other Person, provided that if the value of the assets being subject to a disposal exceeds EUR 10,000,000 the Issuer shall (i) deposit the net proceeds from such disposal in a bank account which is pledged in favour of the Agent and the bondholders, (ii) 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, and if no such reinvestment takes place within such reinvestment period, the net proceeds from such disposal shall be applied in partial repayment of outstanding Bonds by way of reducing the Nominal Amount of each Bond *pro rata* within 2 months following the end of the reinvestment period or (iii) apply the net proceeds in full or partial repayment of the Bonds,

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

The repayment per Bond in accordance with paragraph (a) above shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the date falling 30 months after the First Issue 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 and accrued but unpaid interest on the repaid amount.

#### **13.7 Negative Pledge**

The Issuer and US HoldCo shall not, and shall procure that none of their Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future); *provided, however,* that the Group Companies shall have the right to (i) provide, prolong and renew any Permitted

Security, and (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired by a Group Company.

### **13.8 Loans Out**

The Issuer and US HoldCo shall not, and shall procure that none of their Subsidiaries will, extend any loans in any form to any other party 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.

### **13.9 Clean Down of Working Capital Facilities**

The Issuer shall, from 1 January 2020, procure that during each calendar year there shall be a period of five (5) consecutive days (the "**Clean Down Period**") during which the Clean Down Test is met. Not less than six (6) months shall elapse between two such periods. If the Net Leverage Ratio is below 4.50x pursuant to at least three Financial Reports relating to a calendar year, no clean-down shall be required for such calendar year.

For the purpose of this Clause 13.9, "**Clean Down Test**" means (a) if Net Leverage Ratio exceeds 5.00x according to the most recent Financial Report, that the aggregated amount outstanding under the Working Capital Facilities (if any) less Cash and Cash Equivalents and Qualified Receivables (being the "**Outstanding Amount**"), amounts to zero (0) or less, and (b) if Net Leverage Ratio is equal to or below 5.00x but is equal to or exceeds 4.50x pursuant to the most recent Financial Report, that the Outstanding Amount does not exceed an amount equivalent to 50 per cent of the total commitments under the Working Capital Facilities.

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

The Issuer and US HoldCo shall, and shall procure that their 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.

### **13.11 Compliance with laws and authorisations**

The Issuer and US HoldCo shall, and shall make sure that their Subsidiaries will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.12 Insurance**

The Issuer and US HoldCo shall, and shall procure that their 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.

### **13.13 Environmental compliance**

The Issuer and US HoldCo shall, and shall ensure that their 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.

**13.14 Holding Company**

The Issuer and US HoldCo 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.

**13.15 Nomination of Material Group Companies**

At:

- (a) the First Issue Date and thereafter once every year (starting in 2020 for the financial year 2019) (simultaneously with the publication by the Parent of the audited annual financial statements of the Group and the Compliance Certificate related thereto pursuant to the Terms and Conditions); and
- (b) the date of acquisition of any assets by a Group Company financed (in whole or in part) by Permitted Debt for 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 to the incurrence of such Permitted Debt),

the Issuer shall ensure that:

- (c) 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 or US HoldCo 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 restricts 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 5 per cent. or more of EBITDA of the Group (calculated on a consolidated basis); and
- (d) 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 or US HoldCo 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 restricts 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),

in each case, determined by reference to the most recent yearly interim unaudited consolidated report 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**

Each Obligor shall procure that, subject to the Intercreditor Agreements, Security over the equity interests in each Material Group Company (subject to customary financial assistance and corporate benefit limitations) is granted no later than 120 days after its nomination in accordance with the Clause 13.15 (*Nomination of Material Group Companies*) above and in connection therewith provide to the 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 duly executed;
- (c) evidence that the Transaction Security either has been or will be perfected in accordance with the terms of the relevant Security Documents;
- (d) any legal opinion on the capacity and due execution in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm unless the relevant security is granted pursuant to an existing Security Document where the Agent has previously been provided with a legal opinion on the capacity and due execution of such Security Document by such party; and
- (e) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm unless the relevant security is granted pursuant to an existing Security Document where the Agent has previously been provided with a legal opinion on the validity and enforceability of such Security Document.

Security shall be subject to customary financial assistance, corporate benefit, fiduciary duties, risk of personal or criminal liability on the part of any officer or director and other corporate law limitations.

No Group Company shall be required to provide any Security if the granting of such would impose a stamp duty or similar fee or tax which is not negligible.

If US Holdco or any of its subsidiaries are required to grant any additional security pursuant to this Clause 13.16, such security shall be granted on the terms set out in the Security Documents entered into in relation to the security listed in (a) and (b) in the definition of "US Transaction Security".

### **13.17 Additional Guarantors**

Each Obligor shall procure that each Material Group Company (other than any Material Group Company incorporated in the US) accedes to the Guarantee and Adherence Agreement no later than 120 days after its nomination in accordance with Clause 13.15 (*Nomination of Material Group Companies*) above and in connection therewith provides to the Agent:

- (a) duly executed accession letters to the Guarantee and Adherence Agreement;

- (b) duly executed accession letters to the Issuer Intercreditor Agreement (other than in relation to US HoldCo or any of their Subsidiaries);
- (c) 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);
- (d) any legal opinion on the capacity and due execution unless such Material Group Company is incorporated in Sweden, issued by a reputable law firm; and
- (e) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

All guarantees shall be subject to, and limited as required by, financial assistance regulations corporate benefit, fiduciary duties, risk of personal or criminal liability on the part of any officer or director and other corporate law limitations.

No Group Company shall be required to provide any guarantees if the granting of such would impose a stamp duty or similar fee or tax which is not negligible.

### **13.18 Additional Security Material Intercompany Loans**

The Issuer shall, upon the Issuer granting a Material Intercompany Loan to a Material Group Company, subject to the Intercreditor Agreements, grant a pledge over that Material Intercompany Loan as Security (subject to customary financial assistance and corporate benefit limitations) and for all amounts outstanding under the Finance Documents, provided that all loans from the Issuer to US HoldCo or any of its Subsidiaries may be subordinated to the Revolving Loan Debt, and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) if applicable, constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent);
- (b) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm unless the relevant security is granted pursuant to an existing Security Document where the Agent has previously been provided with a legal opinion on the capacity and due execution of such Security Document by such party; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm unless the relevant security is granted pursuant to an existing Security Document where the Agent has previously been provided with a legal opinion on the validity and enforceability of such Security Document.

The security shall be subject to customary financial assistance and corporate benefit limitations. Provided that no Event of Default has occurred and is continuing (i) payment of principal under the

Material Intercompany Loans made for the purpose of making payments under the Bonds and (ii) payment of interest under the Material Intercompany Loans shall be permitted.

**13.19 Additional Security upon the acquisition of any entity financed in whole or in part with proceeds from the issuance of Bonds**

Upon the acquisition of any entity financed in whole or in part directly with proceeds from the issuance of Bonds, all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interest and expenses shall be secured by:

- (a) a pledge over all acquired shares in the relevant acquired entity at the time of the acquisition unless it is customary that such security instead is granted as attached security in which case all the shares issued in the acquired entity at the time of the acquisition and acquired by a Group Company shall be granted as security for the Material Intercompany Loan set out to be pledged under (c) below;
- (b) a pledge over any Material Intercompany Loans from any Group Company (other than any member of the US HoldCo Group to the extent covered by any second ranking pledge referred to in paragraph (b) of the definition of "US Transaction Security") to the acquired entity unless it is customary that such security instead is granted as attached security in which case any Material Intercompany Loan between the acquiring entity and the acquired entity shall be granted as security for the Material Intercompany Loan set out to be pledged under (c) below;
- (c) a pledge over any Material Intercompany Loan from the Issuer to the acquiring entity (including, if applicable, attached security over all the shares issued in the acquired entity at the time of the acquisition and acquired by a Group Company and the Material Intercompany Loan set out to be pledged under (b) above); and
- (d) a pledge over floating charges or business mortgages in the business of any wholly owned acquired entity, in an amount equivalent to the value of the assets covered by the floating charge or business mortgages, as confirmed by the Issuer, provided that the acquired entity shall not be required to grant security over floating charges or business mortgages if the issuance or granting of such would impose a stamp duty or registration fee which is not negligible and further provided that if the pledge relates to an acquired entity which becomes a Subsidiary of US HoldCo, it shall be a second ranking pledge over all assets of such entity other than equity interests.

The Security shall be subject to customary financial assistance, corporate benefit, fiduciary duties, risk of personal or criminal liability on the part of any officer or director and other corporate law limitations and, in the case of pledges of equity interests in non-wholly owned Subsidiaries, the terms of the constituent documents of such Subsidiaries (provided that the Issuer or US HoldCo shall use commercial reasonable efforts to procure that such restrictions in the constituent documents of any such Subsidiary are removed (to the extent such removal is possible and practicable)).

If US Holdco or any of its subsidiaries are required to grant any additional security pursuant to this Clause 13.19, such security shall be granted on the terms set out in the Security Documents entered into in relation to the security listed in (a) and (b) in the definition of "US Transaction Security" and subject to the US Holdco Intercreditor Agreement.

The Security pursuant to paragraph (a) above shall only be required if 50 per cent. or more of the shares, share capital or votes of the acquired entity have been acquired by a Group Company and this Clause 13.19 shall not apply in relation to entities incorporated in any Excluded Jurisdiction.

## **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 a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five (5) Business Days of the due date.

### **14.2 Other Obligations**

A party (other than the Agent) fails to comply with the Finance Documents, in any other way than due to a Listing Failure Event or as set out in Clauses 14.1 (*Non-Payment*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within twenty (20) Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

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

Any Financial Indebtedness of a Material Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) 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 5,000,000 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 (except for Bondholders) 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 of the Issuer or US HoldCo, 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 or the US HoldCo, where the Issuer is not the surviving entity and, in relation to US HoldCo only, where US HoldCo is not the surviving entity and the surviving entity does not assume the obligations of the US HoldCo, shall always be considered an Event of Default and provided that the Issuer or US HoldCo 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 (subject to the Legal Reservations).

#### **14.9 Continuation of the Business**

The Issuer, US HoldCo or any other Material Group Company ceases to carry on its business (other than (i) a solvent liquidation permitted pursuant to Clause 14.5 (*Insolvency Proceedings*) above or (ii) a disposal permitted under the Finance Documents), 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 Issuer Intercreditor Agreement, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.10(d), 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 (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent receives actual knowledge 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 event that has occurred constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as 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.
- (e) 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.
- (f) Subject to the Issuer Intercreditor Agreement, in the event of an acceleration of the Bonds in accordance with this Clause 14.10, the Issuer shall up to, but excluding, the date falling 30 months after the First Issue 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 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 **Error! Reference source not found.** (**Error! Reference source not found.**) 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 Issuer Intercreditor Agreement.
- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 1.1.1(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 1.1.1(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 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 Issuer 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 (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 (m);
  - (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 **Error! Reference source not found.** shall apply and for any partial redemption in accordance with Clause **Error! Reference source not found.** (**Error! Reference source not found.**) due but not made, the Record Date specified in Clause **Error! Reference source not found.** (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 (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written

Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause **Error! Reference source not found. (Error! Reference source not found.)** 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 Business Day specified in the communication pursuant to Clause (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 (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 315,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
- (ii) a change to the terms of any of Clause **Error! Reference source not found.**, and Clauses **Error! Reference source not found.** to **Error! Reference source not found.**;
- (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause **Error! Reference source not found. (Error! Reference source not found.)**;
- (iv) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause **Error! Reference source not found. (Error! Reference source not found.)**);
- (v) waive a breach of or amend an undertaking set out in Clause **Error! Reference source not found. (Error! Reference source not found.)**;
- (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 **Error! Reference source not found. (Error! Reference source not found.)** or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause (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 (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 1.1.1(i) or (ii)), an acceleration of the Bonds or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (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.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause (a)) or initiate a second Written Procedure (in accordance with Clause (a)), 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 Clause (g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.

- (m) 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.
- (n) 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.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and 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 (a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause (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 (a).
- (c) The notice pursuant to Clause (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) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) 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 (a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause (a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause (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 (e) and (f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause (e) or (f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. 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; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (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 (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 **Error! Reference source not found. (Error! Reference source not found.)**. 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.

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

### **20.1 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 Issuer Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Issuer Group Transaction Security, the Security Documents relating to the Issuer Group Transaction Security, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Issuer Group 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 Issuer Intercreditor Agreement.
- (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 (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 issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 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, including for the avoidance of doubt, in relation to any Bondholders meeting, Written Procedure or any other amendment of any Finance Document. 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 Finance Documents which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of



the Bondholders under the Finance Documents, (iii) in connection with any Bondholders' Meeting or Written Procedure, (iv) in connection with any amendment or (v) 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 (i).

### **20.3 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.

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

- (a) Subject to Clause (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 (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 20.4, 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).

## **21. Appointment and Replacement of the Issuing Agent**

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

## **22. 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 (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 (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 (i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause (k) before a Bondholder may take any action referred to in Clause (a).
- (c) The provisions of Clause (a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause **Error! Reference source not found.** (**Error! Reference source not found.**) or other payments which are due by the Issuer to some but not all Bondholders.

## 23. 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.

## 24. Notices and Press Releases

### 24.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address specified on its website [www.intertrustgroup.com/our-locations/europe/sweden](http://www.intertrustgroup.com/our-locations/europe/sweden) 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 specified on its website [www.scangl.com](http://www.scangl.com) on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (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.
- (b) 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 Clause (a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause (a); 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.

- (c) 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.

#### **24.2 Press releases**

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

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

- (a) None of the Agent, the Security Agent or the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade 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 Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing 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 Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

#### **26. Governing Law and Jurisdiction**

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

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