

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 14 May 2019

**To the holders in:**

**ISIN: SE0005990835 – YA Holding AB (publ) up to SEK 400,000,000 Senior Secured Notes 2014/2019**

**NOTICE OF WRITTEN PROCEDURE – REQUEST TO WAIVE AND AMEND THE TERMS AND CONDITIONS**

**This voting request for procedure in writing has been sent on 14 May 2019 to Holders directly registered as of 13 May 2019 in the debt register (Sw. *skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Notes on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Section 5.3 (*Voting rights and authorisation*).**

Nordic Trustee & Agency AB (publ) acts as agent (the “**Agent**”) for the holders of the notes (the “**Holders**”) in the above mentioned bond issue ISIN SE0005990835 (with an aggregated amount outstanding of SEK 335,000,000) (the “**Notes**”) issued by YA Holding AB (publ) (the “**Issuer**”). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing (the “**Written Procedure**”) as required by the Terms and Conditions (as defined below), whereby Holders can vote for or against the Issuer’s requests.

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) shall have the meanings assigned to them in the terms and conditions of the Notes (the “**Terms and Conditions**”).

Holders participate by completing and sending the voting form, attached hereto as Schedule 1 (the “**Voting Form**”), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the “**Power of Attorney**”) or other sufficient evidence, if the Notes are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Notes through if you do not know how your Notes are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 17.00 CET on 11 June 2019 either by mail, courier or email to the Agent using the contact details set out in Section 5.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Holder on 24 May 2019 (the “**Record Date**”). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Notes.

## 1. Background

The Group is one of Sweden's largest vocational educational companies and the largest provider of labour market training (Sw. *arbetsmarknadsutbildning*). The Group provides education in over 60 locations across Sweden and has a growing presence in Finland. The Group's educational services are focused on four segments: (i) labour market training, (ii) vocational university, (iii) vocational secondary education and (iv) corporate and private clients. Labour market training is the back bone of the Group accounting for approximately 80 per cent. of the Group's sales, but sales to other segments are increasing.

The Group has experienced dwindling financial performance the last years and although profitability has improved during 2018 and Q1 2019, the current levels are still subdued by the decrease in market size of employment educations. The Group has initiated several actions aiming to reduce costs and improve profitability. During 2018, the labour market training has experienced reduced volumes and the market development could be negatively impacted during 2019 and 2020 by reduced funding to the Swedish Public Employment Service (Sw. *Arbetsförmedlingen*), and lower volumes in labour training due to the initiated reform of the authority and Swedish labour policy. However, the initiated reform could substantially increase market opportunities when implemented, which is planned to be due in 2021.

In 2018, the Swedish Public Employment Service implemented a cost savings programme to meet new state budget limits and announced volume reductions. The Group adjusted its business to the reduced target but as the reduction was even higher than was communicated the Group suffered declining volumes and profitability during the second part of 2018. Other factors which have negatively impacted the Group's profitability are, (i) lower number of participants in certain educations compared to budget resulting in too high fixed costs for premises and staff (ii) start-up costs for new educations such as professional Swedish and (iii) general price reductions in the market over the past years and (iv) higher use of consultants than anticipated.

The Group's revenue has however substantially improved during 2018 and Q1 2019 compared to 2017, which is mainly driven by the cost adaptation programme initiated in the autumn of 2018 and larger focus on local leadership and profitability. The education sector "Transport" is the Group's largest segment with some SEK 200 million in yearly revenues. The second largest segment, earthmoving machine operator, has recently been procured. The Group was awarded contracts with a turn-over value of approximately half of the previous volumes, but the procurement process has been appealed and the legal process may continue over the summer of 2019. The employment service courses have more than halved their total volumes between January and April 2019, and the close-down process aims at having closed all locations where the Group does not have other courses in the autumn of 2019.

To prove the solid basis, the Group has sought a holistic solution to restructure its balance sheet and improve its liquidity. A sustainable profitability level requires investment in new educations and an adequate liquidity buffer to absorb start-up as well as close-down costs. Hence improving liquidity through both additional capital and decreased coupon under the Notes is essential to improve the Group's financial situation.

The Group does not have sufficient cash or alternative funding resources available to refinance the Notes at the Final Maturity Date, why the Issuer proposes certain amendments to the Terms and Conditions as described herein. In connection with such amendments, CapMan undertakes to secure a capital injection to the Group in the amount of SEK 40,000,000. The Issuer is of the opinion that the proposal set out in Section 2 below will

substantially improve liquidity and allow for sufficient time to improve operational performance within the Group.

For further information about the background and the proposal please see the investor presentation attached hereto as Schedule 3.

## **2. Proposed amendments and waiver to the Terms and Conditions**

### **2.1 Proposed amendments to the Terms and Conditions**

The proposed amendments to the Terms and Conditions are described in summary in the following and are also set out in full in Schedule 4 (*Proposed Amended and Restated Terms and Conditions*), where blue and underlined text indicates additions whereas red and crossed-out text indicates removals.

#### *Extension of the Final Maturity Date*

The Issuer proposes that the term for the Notes is extended by three (3) calendar years, entailing that the Final Maturity Date will be 18 June 2022 (the “**Extended Final Maturity Date**”), instead of 18 June 2019 (the “**Original Final Maturity Date**”).

#### *Amendment of the Interest Rate*

The Issuer proposes that the Interest Rate is amended from being an interest rate of STIBOR plus seven (7) per cent. *per annum* to being STIBOR plus a margin as set forth below (the “**Interest Rate Margin**”):

- (a) seven (7.00) per cent. *per annum* from (but excluding) the First Issue Date up to and including to the Original Final Maturity Date;
- (b) zero (0.00) per cent. *per annum* from (but excluding) the Original Final Maturity Date up to (and including) 18 December 2019;
- (c) three (3.00) per cent. *per annum* from (but excluding) 18 December 2019 up to and including 18 December 2020;
- (d) four (4.00) per cent. *per annum* from (but excluding) 18 December 2020 up to and including 18 December 2021; and
- (e) five (5.00) per cent. *per annum* from (but excluding) 18 December 2021 up to and including the Extended Final Maturity Date.

#### *No possibility to issue Subsequent Notes*

The Issuer proposes that the Issuer shall have no possibility to issue Subsequent Notes under the amended and restated Terms and Conditions.

#### *Inclusion of a financial covenant*

The Issuer proposes to include a financial covenant (the “**Financial Covenant**”), entailing that the Issuer shall ensure that the reported EBITDA shall be at least:

- (a) SEK 79,000,000 for the Relevant Period ending on 30 June 2021;
- (b) SEK 81,000,000 for the Relevant Period ending on 30 September 2021;
- (c) SEK 83,000,000 for the Relevant Period ending on 31 December 2021; and

- (d) SEK 85,000,000 for the Relevant Period ending on 31 March 2022.

For the avoidance of doubt, the first testing date in respect of the Financial Covenant shall be 30 June 2021.

From and including 30 June 2021, any Compliance Certificate delivered to the Agent in connection with a financial statement being made available shall include figures evidencing compliance with the Financial Covenant.

*Inclusion of an absolute dividend prohibition*

The Issuer proposes that the Issuer's possibility to make Permitted Distributions (in short distributions not exceeding fifty (50) per cent. of the Group's consolidated net profit and in aggregate not exceeding SEK 30,000,000 during the term of the Notes) is deleted, resulting in that the dividend restriction set forth in Clause 12.5 of the Terms and Conditions will become absolute and contain no exceptions.

*Increase of the amount to be paid upon redemption at maturity*

The Issuer proposes to include a provision entailing that the amount payable upon redemption at the Extended Final Maturity Date shall be equal to 103.0 per cent. of the Nominal Amount together with accrued but unpaid Interest.

*Extension of the call structure*

The Issuer proposes to include a provision regarding voluntary redemption by the Issuer prior to the Extended Final Maturity Date, according to which the Issuer may redeem the outstanding Notes in full together with accrued but unpaid Interest, any time prior to the Extended Final Maturity Date. Upon such early voluntary redemption, the applicable Extended Call Option Amount shall be:

- (a) 101.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting after the Original Final Maturity Date and ending on 18 June 2020;
- (b) 102.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting after 18 June 2020 and ending on 18 June 2021;
- (c) 103.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on 18 June 2021 and ending on the Extended Final Maturity Date.

*Inclusion of capital injection undertakings and new Events of Default*

The Issuer proposes to include an undertaking entailing that the Issuer shall procure that, within thirty (30) Business Days from the day on which the amended and restated Terms and Conditions enters into effect (the "**Effective Date**"), the Parent shall make a capital injection to the Issuer in an amount of SEK 40,000,000, either by way of an injection of unrestricted equity in Cash or by way of providing a Capital Injection Shareholder Loan (as defined below) (the "**Initial Capital Injection**"). The Issuer shall undertake to apply such Initial Capital Injection *firstly* towards a Clean Down (as defined below) and *secondly* for general corporate purposes of the Group. In case such Initial Capital Injection is not made within the stipulated time period, an Event of Default shall be deemed to have occurred, giving the Holders the right to accelerate the Notes.

Moreover, the Issuer proposes to include an undertaking entailing that the Issuer shall procure that, if on or after 30 June or 31 December each year it is established that no Clean Down (as defined below) has occurred in respect of the past half calendar year (a "**Failed Clean Down Period**"), one or several capital injections by way of either unrestricted equity in Cash or a Capital Injection Shareholder Loan (as defined below) shall be made to the Issuer from a

person not being a Group Company (the “**Further Capital Injections**”). Such Further Capital Injection(s) shall be made within fifteen (15) Business Days from the end of the Failed Clean Down Period. The Further Capital Injections shall be paid in increments of SEK 5,000,000, to ensure that the amount outstanding under the Revolving Facilities, less cash and cash equivalents of the Group, amounts to zero (0) or less during a period of five (5) Business Days following such Further Capital Injection(s). The Further Capital Injections shall in aggregate amount to up to SEK 30,000,000. A Further Capital Injection shall (although made during the half calendar year succeeding the Failed Clean Down Period) be deemed as a Clean Down in respect of the Failed Clean Down Period and shall, for the avoidance of doubt, not affect the Issuer’s obligation to make a Clean Down or receiving additional Further Capital Injections during the succeeding half calendar year.

The Further Capital Injections shall be unconditionally and irrevocably guaranteed (Sw. *proprieborgen*) by CapMan Buyout X Fund A L.P. to the Agent and each Holder (as represented by the Agent) as for its own debt (Sw. *såsom för egen skuld*). In case the guarantee has not been duly executed within thirty (30) Business Days from the Effective Date, an Event of Default shall be deemed to have occurred, giving the Holders the right to accelerate the Notes.

A “**Capital Injection Shareholder Loan**” means any loan incurred by the Issuer from the Parent if such loan (a) according to its terms and pursuant to a subordination agreement 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 Extended Final Maturity Date, and (c) according to its terms yield only payment-in-kind interest (PIK).

A “**Clean Down**” means the event that the amount outstanding under the Revolving Facilities, less cash and cash equivalents of the Group, amounts to zero (0) or less, for a period of five (5) consecutive Business Days with not less than one (1) month elapsing between two (2) such periods, during each half calendar year starting on 1 July 2019 (*i.e.* during each period from 1 January up to and including 30 June and from 1 July up to and including 31 December, respectively, each year) (as evidenced by a Compliance Certificate).

#### *Amendment of the majority requirement*

The Issuer proposes to decrease the special majority requirement that apply in relation to the matters set forth in Clause 15.5 of the Terms and Conditions from eighty (80) per cent. to two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders’ Meeting or for which Noteholders reply in a Written Procedure.

#### *Consequential amendments*

As a consequence of the amendments to the Terms and Conditions proposed by the Issuer, certain consequential amendments and updates to the Terms and Conditions will be required.

## **2.2 Proposed waiver to the Terms and Conditions**

The Issuer proposes that, only in respect of the publishing of the Group’s audited consolidated financial statements for the financial year ended 31 December 2018, the Holders waive the Issuer’s obligation under Clause 11.1(a) to make available such financial statements within 120 days after the end of the Financial Year, including any breach of any provision of the Terms and Conditions resulting from the Issuer implementing such waiver.

### **3. Consent**

The Holders are asked to confirm that the Holders agree to the proposed amendments and waiver set out in Section 2 (the “**Request**”).

The Issuer has informed the Agent that, at the date of this Notice, Holders and beneficial owners of Notes representing an aggregate nominal amount of approximately 55 per cent. of the total nominal amount has expressed an intention to vote in favour of the Request.

### **4. Effective date**

The Request shall be deemed approved immediately upon expiry of the voting period and receipt of the required majority as set forth in Section 5.6 or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

The Issuer and the Agent shall, in order to implement and effectuate the Request, enter into amended and restated Terms and Conditions. In addition, the Issuer and the Agent may agree to take any other action deemed required in order to implement the Request.

### **5. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

#### **5.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 17.00 CET, on 11 June 2019. Votes received thereafter may be disregarded.

#### **5.2 Decision procedure**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will: i) be sent by notice to the Holders and ii) be published on the websites of a) the Issuer and b) the Agent.

A matter decided under the Written Procedure will be binding for all Holders, irrespective of them responding in the Written Procedure.

#### **5.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (24 May 2019) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Notes.

#### **5.4 Notes registered with a nominee**

If you are not registered as a direct registered owner, but your Notes are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Notes.

1. You can ask the authorised nominee or other intermediary that holds the Notes on your behalf to vote in its own name as instructed by you.
2. You can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as holder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Holder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Notes on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Notes on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Notes are registered or need authorisation or other assistance to participate. Notes owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

#### **5.5 Quorum**

To approve the Request, Holders representing at least fifty (50.00) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

#### **5.6 Majority**

Eighty (80.00) per cent. of the Adjusted Nominal Amount for which Holders reply under the Written Procedure must consent to the Request in order for it to pass.

#### **5.7 Address for sending replies**

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Notes are held in custody other than Euroclear Sweden, by regular mail, scanned copy by e-mail, or by courier to:

##### **By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure YA Holding AB (publ)  
P.O. Box 7329  
S-103 90 Stockholm

**By courier:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure YA Holding AB (publ)  
Norrandsgatan 23  
111 43 Stockholm

**By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

**6. FURTHER INFORMATION**

For further questions to the Issuer, regarding the Request, please contact the Issuer at [jan.larsson@ya.se](mailto:jan.larsson@ya.se) or +46 73 326 59 88 or [antti.rokala@ya.se](mailto:antti.rokala@ya.se) or +46 76 899 4973.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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**Stockholm, 14 May 2019**

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation
<b>Schedule 3</b>	Investor Presentation
<b>Schedule 4</b>	Proposed Amended and Restated Terms and Conditions



# VOTING FORM

## Schedule 1

For the Written Procedure in YA Holding AB (publ) up to SEK 400,000,000 Senior Secured Notes 2014/2019 with ISIN SE0005990835.

The undersigned Holder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below.

**NOTE:** *If the Voting Person is not registered as Noteholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.*

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 14 May 2019.

☐ **For** the Request

☐ **Against** the Request

Name of the Voting Person:

\_\_\_\_\_

Capacity of the Voting Person:

Holder:

☐

<sup>1</sup>

authorised person:

☐

<sup>2</sup>

Voting Person's reg.no/id.no  
and country of incorporation/domicile:

\_\_\_\_\_

Securities Account number at Euroclear Sweden:  
(if applicable)

\_\_\_\_\_

Name and Securities Account number of custodian(s):  
(if applicable)

\_\_\_\_\_

Nominal Amount voted for (in SEK):

\_\_\_\_\_

Contact person, daytime telephone number and e-mail adress:

\_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Holder or other proof of authorisation showing the number of votes held on the Record Date (as defined in the Notice of Written Procedure from YA Holding AB (publ)).

<sup>3</sup> If the undersigned is not a Noteholder as defined in the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Noteholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

For the Written Procedure in YA Holding AB (publ) up to SEK 400,000,000 Senior Secured Notes 2014/2019 with ISIN SE0005990835.

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Holder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Holder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Holder.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 14 May 2019.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

\_\_\_\_\_

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

\_\_\_\_\_

Name of Holder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

\_\_\_\_\_

We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK \_\_\_\_\_

We are:

☐

Registered as Holder on the Securities Account

☐

Other intermediary and holds the Notes through (specify below):

\_\_\_\_\_

Place, date: \_\_\_\_\_

\_\_\_\_\_

Name:

Authorised signature of Holder/other intermediary (Sw. *fullmaktsgivaren*)

# **INVESTOR PRESENTATION**

*Schedule 3*

*[See following pages]*

*Strictly private and confidential*



**Yrkes  
Akademin**

Vi hjälper dig att lyckas!

## **Investor presentation**

Contemplated changes to the terms and conditions of the  
outstanding SEK 335 million bond issue

May 2019



# Important information

This This presentation (the "**Presentation**") has been produced by YA Holding AB (publ) (the "**Issuer**", "**YA**", or the "**Group**" which shall also include any subsidiaries of the Issuer) solely for use in connection with the proposal for restructuring and amendment of the bond terms in respect of bonds with ISIN SE0005990835 issued by the Issuer (the "**Bonds**") (the "**Transaction**") and may not be reproduced or redistributed in whole or in part to any other person. Pareto Securities AB acts as financial advisor to the Issuer in the Transaction ("**Pareto**"). This Presentation is for information purposes only and does not in itself constitute an offer to sell or a solicitation of an offer to buy any of the Bonds. By attending a meeting where this Presentation is presented, or by reading the Presentation slides, you agree to be bound by the following terms, conditions and limitations.

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Only a limited due diligence by way of a bring down call has been carried out in connection with the preparation of this Presentation. Thus, there may be risks related to the Group which are not included in this Presentation and which could have a negative effect on the Group's operations, financial position, earnings and result.

We emphasize that investments in Bonds can involve great risks. All investors must be prepared that such an investment can cause a partial or total loss of the investment. Investors who neither can nor want to incur such risk should not enter into these types of investments. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this document or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other bonds will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

(d) understand thoroughly the amended terms and conditions for the Bonds; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

Neither this Presentation nor any copy of it or the information contained herein is being issued, and nor may this Presentation or any copy of it or the information contained herein be distributed directly or indirectly, to or into Luxembourg, Canada, Australia, Hong Kong, Italy, New Zealand, the Republic of South Africa, Japan, the Republic of Cyprus, the United Kingdom or the United States (or to any U.S. person (as defined in Rule 902 of Regulation S under the Securities Act)), or to any other jurisdiction in which such distribution would be unlawful, except as set forth herein and pursuant to appropriate exemptions under the laws of any such jurisdiction. Neither the Group nor Pareto, or any of their Representatives, have taken any actions to allow the distribution of this Presentation in any jurisdiction where any action would be required for such purposes. The distribution of this Presentation (including any purchase of or application/subscription for Bonds or other securities of the Group) may be restricted by law in certain jurisdictions, and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws of any such jurisdiction. None of the Group or Pareto or any of their Representatives shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the Presentation. Neither the Group nor Pareto have authorised any offer to the public of securities, or has undertaken or plan to undertake any action to make an offer of securities to the public requiring the publication of an offering prospectus, in any member state of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and this Presentation is not a prospectus for purposes of the Prospectus Directive.

In the event that this Presentation is distributed in the United Kingdom, it shall be directed only at persons who are either (a) "investment professionals" for the purposes of Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (b) high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order, or (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this Presentation relates will be available only to Relevant Persons and will be engaged in only with Relevant Persons. This Presentation is not a prospectus for the purposes of Section 85(1) of the UK Financial Services and Markets Act 2000, as amended. Accordingly, this Presentation has not been approved as a prospectus by the Financial Conduct Authority (the "**FCA**") under Section 87A of the Financial Services and Markets Act 2000 and has not been filed with the FCA pursuant to the UK Prospectus Rules nor has it been approved by a person authorised under the Financial Services and Markets Act 2000.



# Important information cont'd

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## Forward looking statements

Certain information contained in this Presentation, including any information on the Group's plans or future financial or operating performance and other statements that express the Group's management's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate

to the Group or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Group cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Group to be materially different from the Group's estimated future results, performance or achievements expressed or implied by those forward-looking statements

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## The Bonds will be governed by the amended terms and conditions

Any investor holding Bonds and any potential investor investing in the Bonds will be bound by the amended terms and conditions of the Bonds which the investor acknowledges having accepted following a requisite majority having approved the amended terms and conditions at a written procedure, and as applicable, following any subscription of the Bonds.

## Governing law and jurisdiction

This Presentation is subject to Swedish law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Swedish courts.

# Glossary

Swedish term	Abbreviation	English translation	Description
Arbetsförmedlingen	AF	Swedish Public Employment Service	Sweden's government funded public employment agency
Arbetsmarknadsutbildning	AUB	Labour market training	Vocational education procured by AF, from private and public education providers, offered to unemployed individuals to improve their skill set in areas where there is demand in the labour market (job coaching is not included in AUB)
Förberedande Utbildning	FUB	Preparatory course for AUB	Labour market training programs begin with 1-3 weeks of preparatory courses, during which students' suitability is assessed
Kommunal vuxenutbildning	VUX	Vocational secondary education	Upper secondary adult education (e.g. vocational educations) provided by municipalities
Myndigheten för Yrkeshögskolan	-	National Agency for Higher Vocational Education	Swedish authority responsible for the administration of higher vocational educations
Yrkeshögskola	YH	Vocational university	Post upper secondary education with emphasis on "on-the-job-learning" and adapted to the demands of the labour market. Educations administered by the National Agency for Higher Vocational Education

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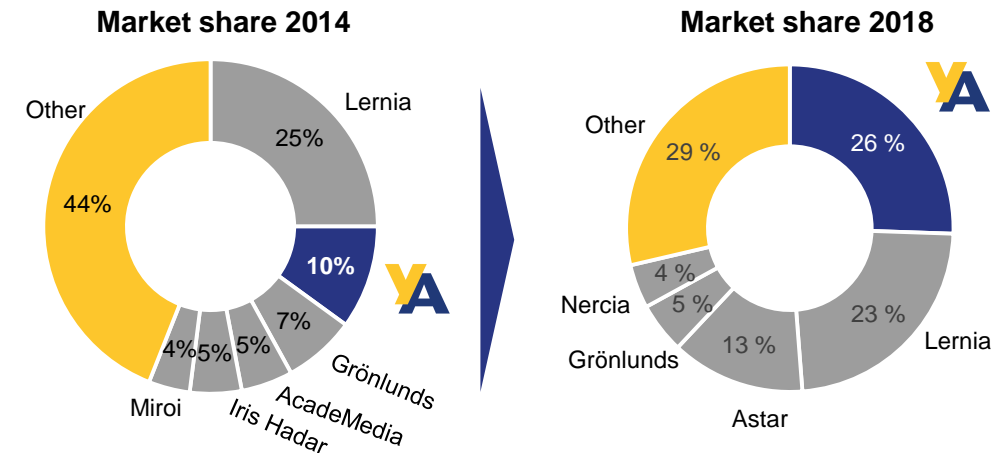




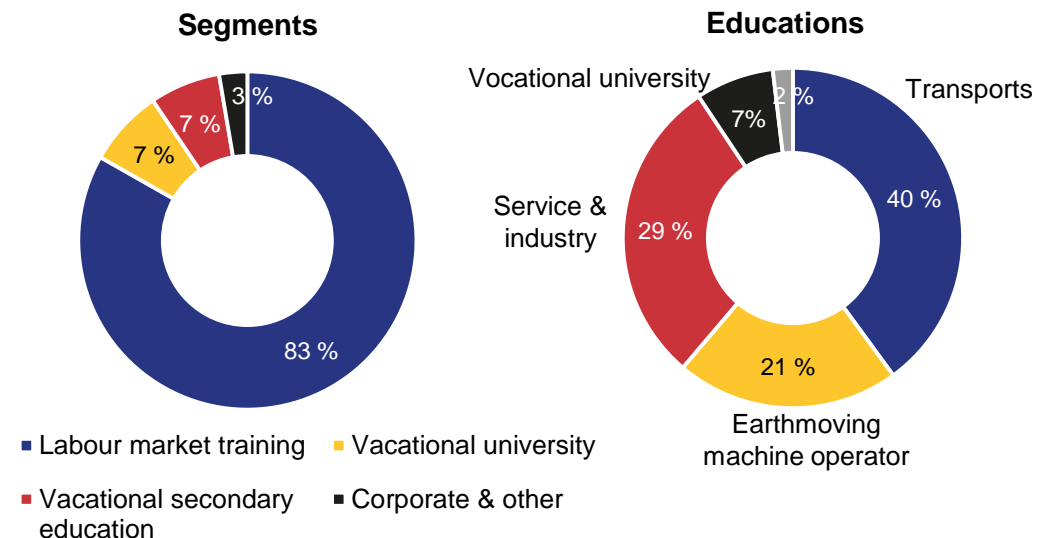
# YrkesAkademin at a glance

- YA is one of Sweden's largest vocational education companies and the largest private provider of AUB
- Broad geographical coverage with local presence across Sweden
  - Provides educations in over 60 locations across Sweden
  - Growing presence in Finland
- YA's educational services are focused on four segments:
  - Labour market training (AUB)
  - Vocational university (YH)
  - Vocational secondary education (VUX)
  - Corporate and private clients
- Focus on capital intensive and complex educations, which typically carries higher margins and lower competition compared to less complex educations
  - Contracts are awarded on an exclusive basis for each city
- Flexibility achieved through synergies between business areas, a mobile vehicle fleet and best practice processes enabling efficient start up and closure of educations
- YA is Sweden's leading provider in AUB and a top 3 provider in YH and VUX
  - AUB is the back bone of the Group accounting for 83% of sales
  - The AUB market has experienced reduced volumes in 2018 and the market development in 2019 could be negatively impacted by reduced funding for AF
- Longstanding relationship with AF
  - Through high quality services and employment success rates, YA has managed to retain a high number of contracts with AF for a long period of time
  - Public tender win rate of ca. 50%, historically

## Strengthened market position within AUB



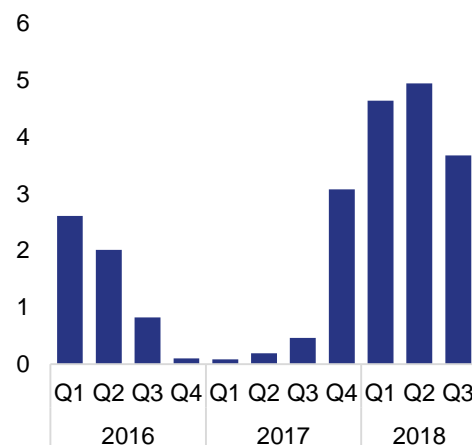
## Breakdown of sales, LTM Q3 2018



# Deteriorating profitability culminating in 2017...

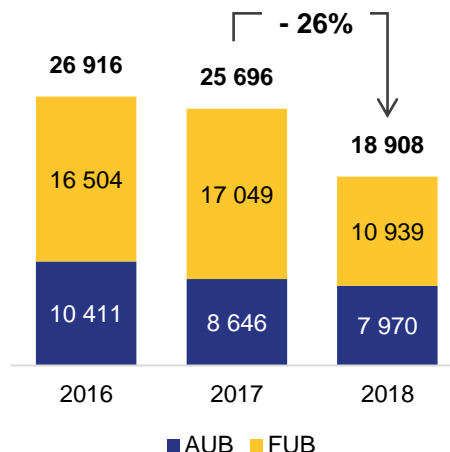
## Temporarily lost contracts...

Monthly avg. participants in transport education (thousand)



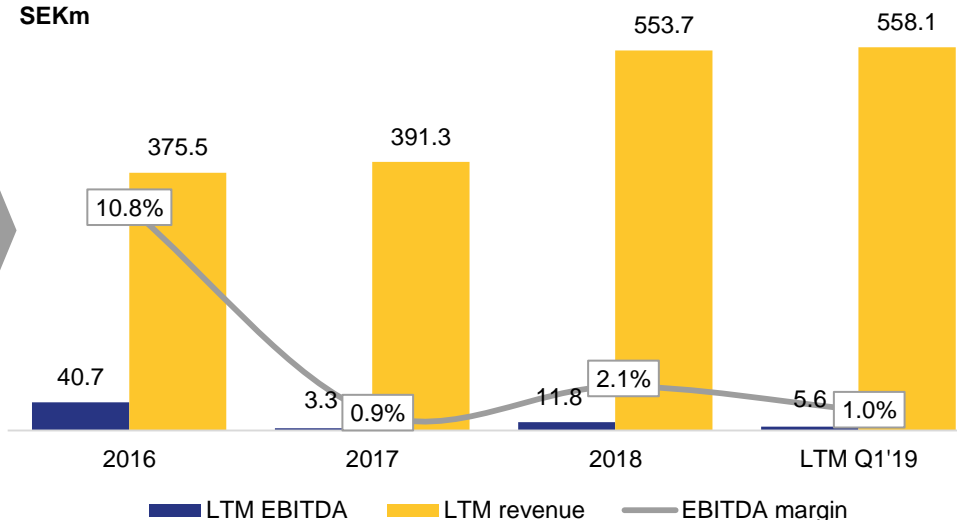
## ...and a declining market...

Avg. number of students enrolled in educations



## ...resulted in deteriorating profitability despite top line growth<sup>1</sup>

SEKm



## Increased costs related to transport educations

- In 2016, YA lost bus and truck education contracts but the decision was appealed and consequently won. However the process of closing down and subsequently starting up and expanding the transport education severely impacted profitability in 2017
  - The Group rapidly expanded the transport education business during the end of 2017 with record high number of participants

## Cost saving programme launched by the Swedish Public Employment Service results in reduced profitability

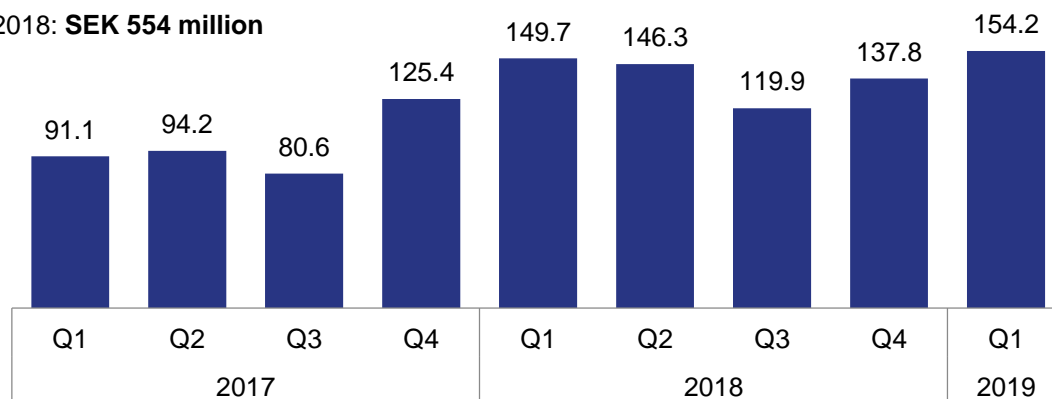
- The Swedish Public Employment Service implemented a cost savings programme in May 2018 to meet new state budget limits and announced volume reductions of 10%, however, actual volume reduction of 26% in 2018 widely exceeded the target
  - YA adjusted to the reduced volume target of 10% but as a consequence of the unforeseen volume reduction of 26%, YA suffered declining volumes, and profitability, in key programmes during the second part of 2018
  - The market decline occurred during the summer and was therefore partly disguised by the normal volume reductions seen during the summer
- In addition to reduced volumes, there are several other factors impacting profitability; 1) higher use of consultants than anticipated, 2) low number of participants in certain educations compared to budget resulting in too high fixed costs for e.g. premises and staff, 3) start-up costs for new educations such as professional Swedish and 4) general price reductions in the market over the past years with YA experiencing a price decline of around 25-30% in new contracts

# ...and improved results during 2018 and Q1 2019

## Quarterly revenue development, Q1 2017 – Q4 2018, SEKm<sup>1</sup>

2017: SEK 391 million

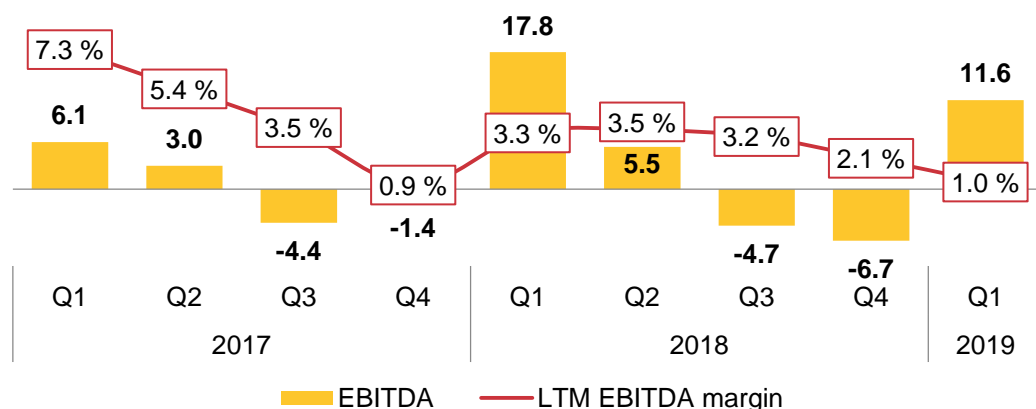
2018: **SEK 554 million**



## Quarterly EBITDA development, Q1 2017 – Q4 2018, SEKm<sup>1</sup>

2017: SEK 3.3 million

2018: **SEK 11.8 million**



- Revenue have substantially improved during 2018 compared to 2017
  - Mainly driven by the re-establishment of Transport, launch of professional Swedish and an overall strong market in Q1 2018
- Despite the improved profitability in 2018, EBITDA is still on historically low levels, although Q1 2019 was slightly better than the preceding quarters
  - Unclear how the political situation will impact funding of AF and future volumes of AUB
- The group has been assisted by a third party consultant to develop a new business plan aiming to increase profitability

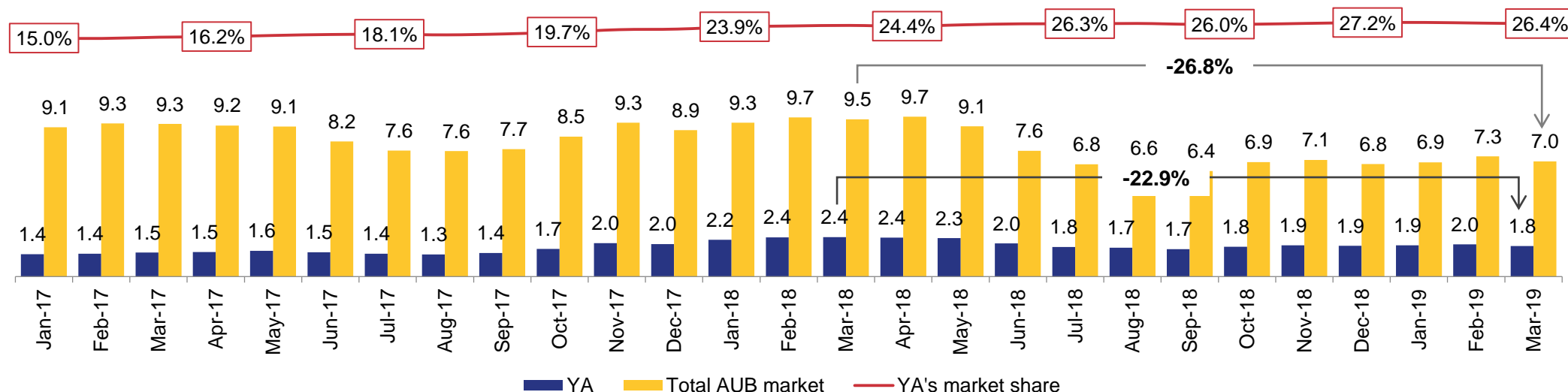
### Actions taken to improve liquidity during 2018

- Liquidity has been, and continues to be, strained due to the subdued performance and several initiatives have been taken to temporarily improve the situation
- Sale lease back of excavators and machinery completed in Q3 and Q4
- Divestment of a properties
- Adjustments of supplier payment terms, changed property lease payment from quarterly to monthly and renegotiating contract with consultants to have unified payment terms

# YA is taking market shares in a declining market

## Participants in labour market training (AUB), January 2017 – December 2018

Thousand of participants

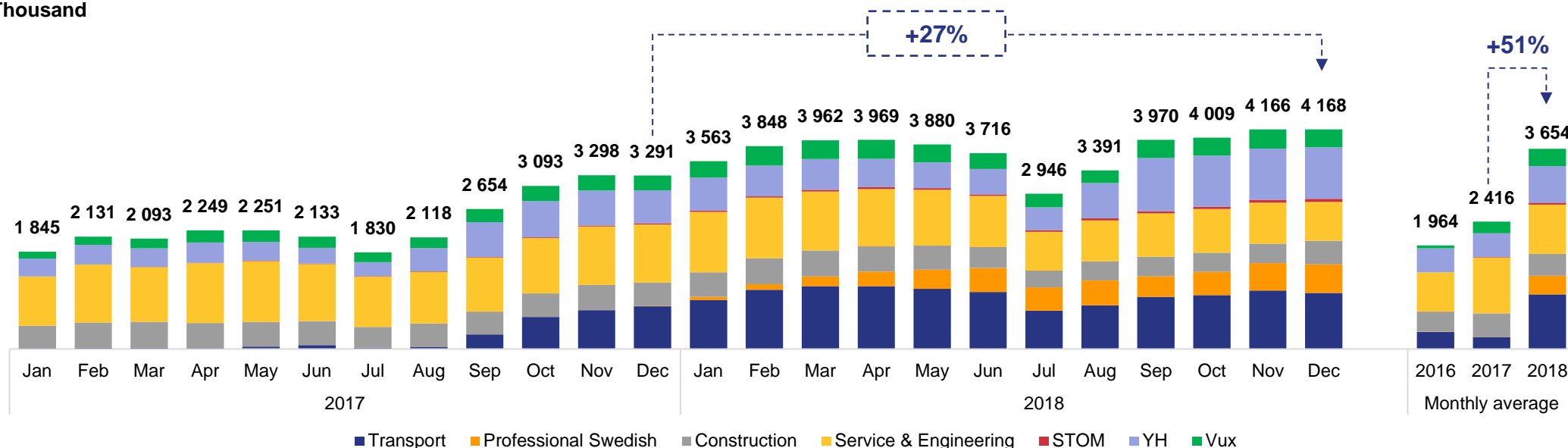


- The number of students enrolled in labour education has declined during 2018 driven by AF's decision to reduce participants to reach new state budget expenditure frames
- AF estimated a total volume reduction (AUB and other employment activities) of 10% in 2018 but ended up reducing volumes by 26%. Average AUB volume was reduced by 8%, but from December 2017 to December 2018 the reduction was 23%
  - Majority of the market decline is related to more general educations within FUB and STOM
- AF is also shifting funding away from short term unemployment to increased activities for groups such as newly arrived immigrants and youth without secondary education, which tends to be far away from employment. YA is well positioned for the transition with some 75-80% of its labour education participants already from the prioritized groups
- YA has grown its number of participants despite unfavourable market conditions due to successful tenders and launch of new educations
  - YA's average monthly AUB volumes increased 32% in 2018 over 2017 despite a market decline of 8% during the corresponding period, however, volumes took a hit during the second half of the year and declined by 22% compared to H1
- The Group's market share has continuously increased since the end of 2016 and reached 26.4% per March 2019, however, participants in absolute numbers have declined since the first half of 2018

# Volume growth in 2018 but lower AUB volumes

YA's weekly average development in number of enrolled students, January 2017 – December 2018

Thousand



- YA has been able to increase its total number of participants during 2018 compared to 2017, especially within Transport, YH and VUX educations
  - Monthly average number of participants across all educations have increased by 51% in 2018 compared to 2017
- However, YA has suffered a decline in AUB participant by approximately 22% during H2 2018 compared to the H1 2018, which is some 4 p.p. lower than the overall AUB market
- The anticipated growth in professional Swedish has not yet materialised due to AF's struggling to meet budget frames
  - Several unprofitable locations are undergoing an adaption program and profitability has improved during the end of the year
- Additionally, prices in the market have declined over the past few years compared to the time of the bond issue in 2014 and YA has experienced a decline of around 25-30% for new contracts
- The growth of vocational university has continued and the number of courses have increase to nearly 40 and the secondary vocational education are also showing good growth

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# Contract situation - AUB

AUB contract length is 2 years with 1+1 year extension where the extensions are essentially always exercised

## Overview of main contracts – number of locations and year of expiry

Category	Education	# of locations	2019	2020	2021	2022	2023	2024
STOM	STOM	7						Ongoing
Transport	Bus	21			July			
	Truck	13			July			
	Taxi	14			March			
Earthmoving machine operator	Machine operator	14	(March)					
	Crane operator	4					January	
Industry	Industrial engineering	7	November					
	Measurement Techniques	2				May		
	Car mechanic	7			August			
	Construction & isolation	4			Apr/sep			
Services	Engineering modules	4			October			
	Real estate	6					Feb/Mar	
	GIS	1				May		
	Other	2						
Professional Swedish	Professional Swedish	8			December			
<b>Total</b>		<b>114</b>	<b>21</b>	<b>2</b>	<b>71</b>	<b>3</b>	<b>10</b>	

### Transport

- Transport is YA's largest segment with some SEK 200 million in yearly revenues LTM, including YH courses
- YA lost a high share of its contracts in 2016 but the tender process was appealed and YA was re-awarded a majority of these contracts
- All major contracts expires in 2021, but AF has an option to end contracts after two and three years respectively. In 2019 AF decided to discontinue some courses in Visby and Östersund but management estimate that the income effect from those terminated contracts will be limited.

### Earthmoving machine operator

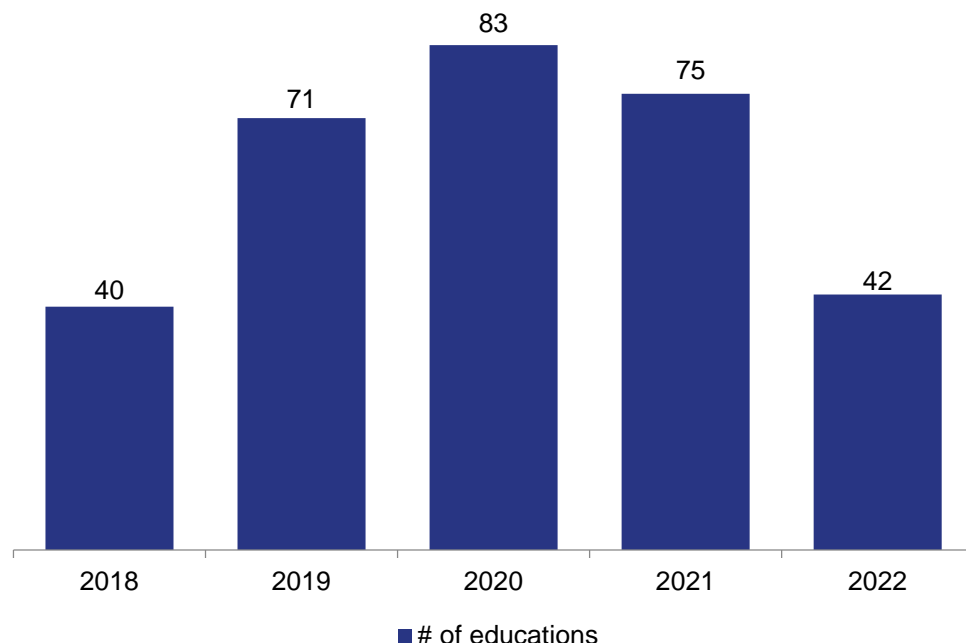
- Second largest segment with around 25% of AUB sales
- Recently, YA was awarded four contracts to conduct earth-moving machine operator education for AF but they were appealed by a competitor. Conversely, YA has also appealed some lost tenders. The legal process may continue over the summer.
- Extensive experience in providing high quality educations within this segment; has held six contracts for more than a decade and another five contracts for five years or more
- In Q3, YA won tenders for crane operators in four locations at prices significantly higher than average

### Service and industry

- Services and industry together accounts for around 30% of AUB sales
- 7 contracts are expiring in late 2019
- Real estate educations have successfully been reduced as the contracts have declined from 11 to 6
  - However, compared to Q3 the effect on profit should be positive with the new contracts in place

# Contract situation – YH and VUX

## Overview of current YH contracts



## Comments on YH contracts

- YA has a pipeline of 93 educations to be started 2019-2022, with the bulk commencing in 2019 and 2020
- Applications for courses starting in the autumn 2020 are due in June 2019. YA intends to apply for more educations than previous years going forward.
  - YA had a tender win-rate of 67% in 2019 which can be compared to 18% in 2015

## Overview of current VUX contracts (location and year of expiry)

Location	# of educations	2019	2020	2021	2022	2023
Eskilstuna	9		Dec			
Greater Stockholm area	6	Jun				
Norrköping	3				Dec	
Gothenburg	1				Dec	
Järfälla	1				Jun	
Sundsvall	1				Jun	
Stockholm	1			Dec		
Helsingborg	1		Jun			
Härnäs	1		Jun			
Lund	1		Dec			
Borlänge	1	Jun				
Gotland	1					Mar
Falun	1	Ongoing				
Växjö	1	Ongoing				
Stockholm South	1	Ongoing				
<b>Total</b>	<b>30</b>	<b>7</b>	<b>12</b>	<b>1</b>	<b>6</b>	<b>1</b>

## Comments on VUX contracts

- Like YH, VUX has grown during the past years and generated ~7% of sales in the LTM Q3 2018
- Currently, YA is operating 30 VUX educations across Sweden
  - New educations will be added as YA has won, among others, authorization for secondary vocational education across the greater Stockholm region and expanded authorization for TSL education



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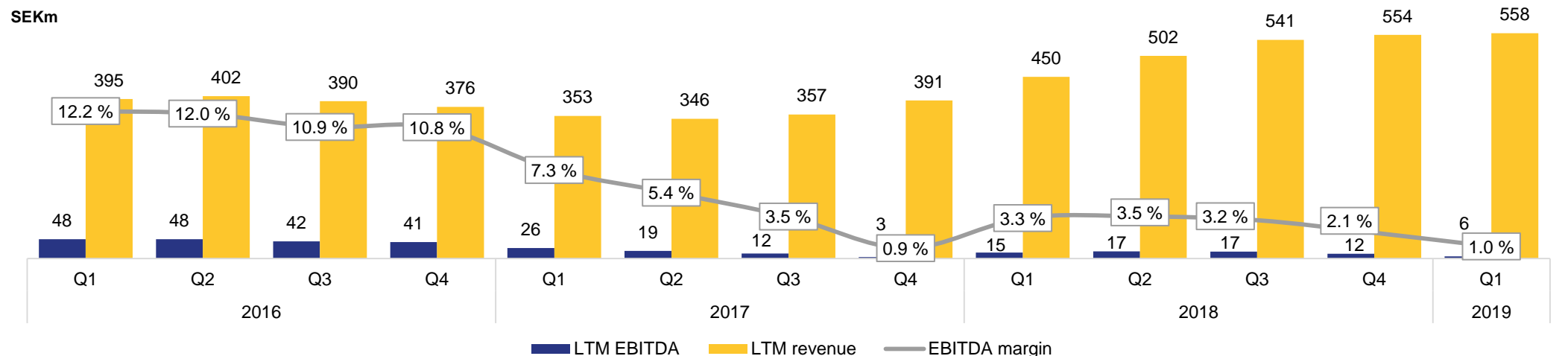
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# Historical financial development

## Rolling twelve months development, Q1 2016 to Q1 2019, SEKm<sup>1</sup>



## Historical cash flow development, SEKm<sup>1</sup>

SEKm	2015	2016	2017	2018	LTM Q1'19
<b>EBIT</b>	<b>-6.6</b>	<b>6.6</b>	<b>-18.8</b>	<b>-60.6<sup>2</sup></b>	<b>-65.8<sup>2</sup></b>
Depreciation/amortization	46.9	34.1	22.1	72.4	71.4
Interest paid/received	-28.4	-28.3	-28.7	-28.6	-28.4
Other non-cash items				5.5	4.4
Income tax paid	-9.4	4.7	0.0	-0.1	-0.1
<b>Operating cash flow before change in working capital</b>	<b>2.5</b>	<b>17.2</b>	<b>-25.3</b>	<b>-11.4</b>	<b>-18.6</b>
Change in operating working capital	9.0	5.0	25.9	13.1	15.3
<b>Cash flow from operating activities</b>	<b>11.5</b>	<b>22.2</b>	<b>0.6</b>	<b>1.8</b>	<b>-3.3</b>
Cash flow from investing activities	-7.5	6.8	-12.7	-14.6	-2.7
Cash flow from financing activities	-18.7	-18.5	-4.2	15.7	2.9
<b>Cash flow for the period</b>	<b>-14.6</b>	<b>10.5</b>	<b>-16.4</b>	<b>2.8</b>	<b>-3.0</b>

Note: 1) For comparability reasons, the figures are based on the accounting standards applicable prior to 1 January 2019 (i.e. IFRS 16 are not used)

Note: 2) EBIT excluding one-off provisions for 2018 and LTM Q1 2019 equals SEK -3.7 million and SEK -11.5 million respectively

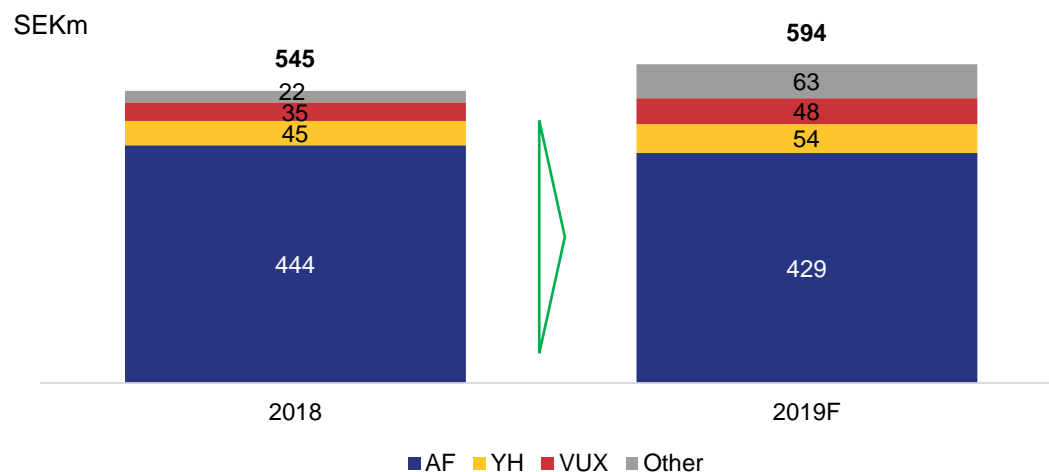
Source: The Issuer

# Key recent financial information

## Key financial information

SEKm	Q1 2018	Q1 2019	FY 2018
<b>Net sales</b>	<b>149.1</b>	<b>153.8</b>	<b>545.0</b>
EBITDA IFRS 16	28.3	24.5	53.9
EBITDA margin (IFRS 16)	19.0 %	15.9 %	9.9 %
EBITDA IAS 17	17.8	11.6	11.8
EBITDA margin (IAS17)	11.9 %	7.5 %	2.2 %
EBIT	12.4	7.7	-60.6 <sup>1</sup>
EBIT margin	8.3 %	5.0 %	-11.1 %
Net debt (IFRS 16)	550.0	551.9	557.1
Net debt (IAS 17)	392.4	397.0	392.4

## Revenue split by customer, 2018 vs 2019F

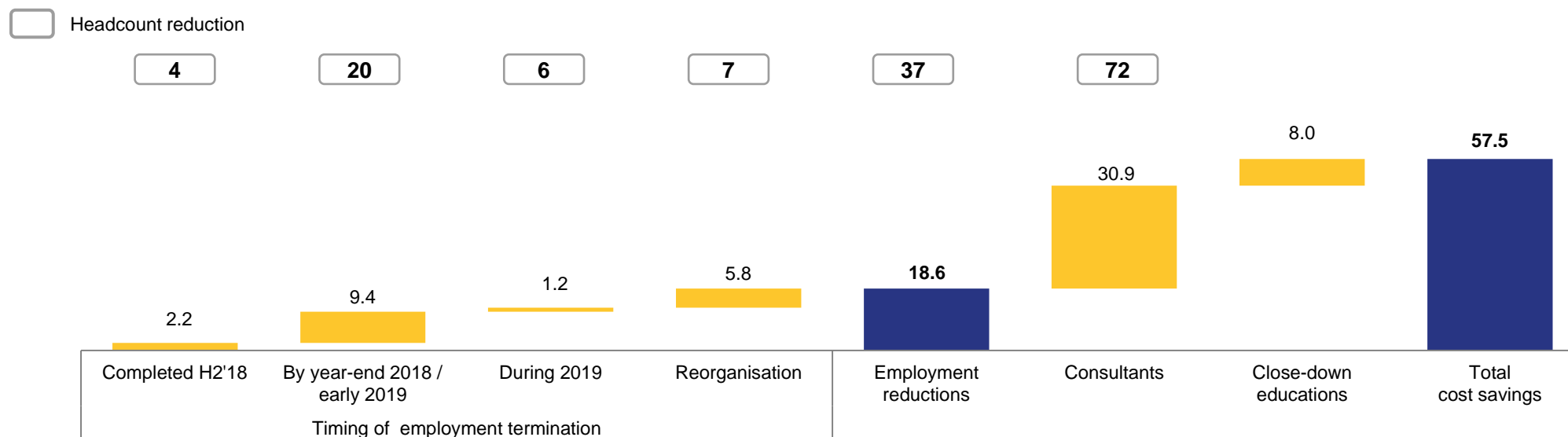


## Impact of IFRS 16 on the Group's accounts

- The new leases standard, IFRS 16, came into effect on 1 January 2019 and was first applied by the Group in the Q1 2019 report
- With IFRS 16, the distinction between operational and financial leases disappears, which means that all leases must be included in the balance sheet
- Leases appear both in the balance sheet and the income statement as assets funded by loans
  - Lease payment is treated as amortisation of debt and interest paid
- The main impact of IFRS 16 on the Group's accounts derives mainly from accounting leases for premises and vehicles
- The effect on the balance sheet as of January 2019 is SEK 164 million to leasing assets and SEK 165 million to leasing liabilities
  - Annual leasing cost of SEK 47 million is re-distributed to depreciations and interest expenses
- The EBITDA for the financial year 2018 was SEK 11.8 according to IAS 17
  - Calculated according to IFRS 16, EBITDA was SEK 53.9 million, an increase of SEK 42.1 million
- Net debt as of 31 December 2018 according to IFRS 16 was SEK 557.1 million compared to SEK 392.4 million according to IAS 17

# Overview of cost adjustment programme

## Estimated cost savings in 2019 from the cost adjustment programme, SEKm



### Initiated cost reduction programme to adapt to new market size

- Several actions implemented in 2018 to reduce costs and increase flexibility, where the majority of cost reductions is related to redundancies of employees and consultants
- The cost savings programme will meet both the effect from reduced number of participants in general and potential effect from contracts terminated from end of 2018 to spring 2019 (especially the machine operator courses)
- Agile adaptation programme to meet market uncertainty where cost savings can be increased or reduced depending on changes in demand
  - The first phase was initiated in the beginning of the fourth quarter 2018 and effects should be visible already in the first quarter 2019
- Redundancies are the main cost saving factor and staff will be reduced by 37 while the corresponding number for consultants is 72
- Reduced personnel and consultants are estimated to generate cost savings of SEK 18.6 million and 30.9 million, respectively in 2019
  - Full-effect from redundancies and reorganisation expected in 2020
- Moreover, close-down of two unprofitable educations is estimated to generate cost savings of SEK 8 million

# Historical profit and loss and balance sheet

## Profit and loss, SEKm<sup>1</sup>

SEKm	2015	2016	2017	2018	LTM Q1'19
Net sales	375.5	358.0	389.4	545.0	549.7
Other operating income	9.7	17.5	1.8	8.7	8.4
<b>Revenue</b>	<b>385.2</b>	<b>375.5</b>	<b>391.3</b>	<b>553.7</b>	<b>558.1</b>
Other external costs	-172.6	-170.7	-206.7	-246.7	-251.6
Employee benefit expenses	-172.2	-161.0	-179.4	-251.9	-255.2
Other operating expenses	0.0	-3.1	-1.8	-1.2	-1.3
<b>EBITDA</b>	<b>40.3</b>	<b>40.7</b>	<b>3.3</b>	<b>53.9</b>	<b>50.1</b>
Depreciation and amortisation	-46.9	-34.1	-22.1	-114.4	-115.4
<b>EBIT</b>	<b>-6.6</b>	<b>6.6</b>	<b>-18.8</b>	<b>-60.6<sup>2</sup></b>	<b>-65.3<sup>2</sup></b>
Profit from participations in group companies	0.0	3.5	0.0	0.0	0.0
Interest income and similar	0.0	0.1	0.1	0.0	0.0
Interest expense and similar	-28.5	-28.4	-28.7	-28.6	-30.2
<b>Profit after financial items</b>	<b>-35.0</b>	<b>-18.2</b>	<b>-47.5</b>	<b>-89.1</b>	<b>-95.4</b>
Tax on profit for the period	6.7	5.6	10.8	8.1	9.3
<b>Net profit for the period</b>	<b>-28.3</b>	<b>-12.5</b>	<b>-36.6</b>	<b>-81.0</b>	<b>-86.1</b>
<b>KPIs</b>					
Revenue growth		-2.5 %	4.2 %	41.5 %	24.0 %
EBITDA margin	10.5 %	10.8 %	0.9 %	9.7 %	9.0 %

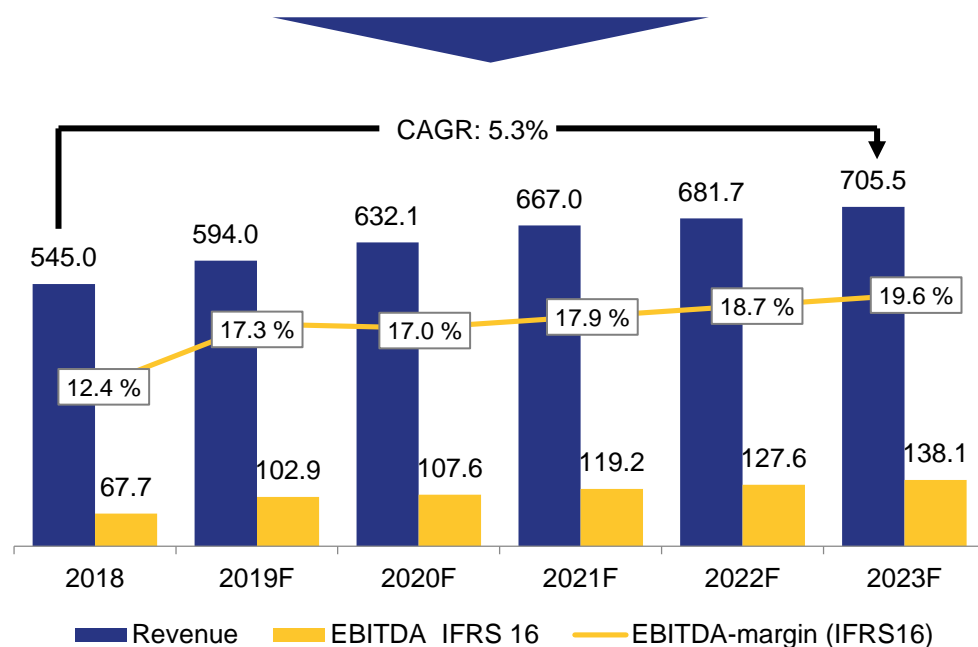
## Balance sheet, SEKm<sup>1</sup>

SEKm	Dec15	Dec16	Dec17	Dec18	Mar19
Intangible assets	574.3	490.2	489.2	438.4	438.4
Tangible fixed assets	97.5	78.8	71.1	227.8	215.2
Financial assets	0.0	0.1	2.5	10.6	10.8
<b>Fixed assets</b>	<b>671.8</b>	<b>569.1</b>	<b>562.8</b>	<b>676.8</b>	<b>664.4</b>
Inventories etc.	1.9	0.0	0.0	0.0	0.0
Current receivables	60.8	40.6	67.2	62.8	77.7
Cash and bank balances	22.8	22.4	6.0	8.8	1.4
<b>Current assets</b>	<b>85.5</b>	<b>63.0</b>	<b>73.2</b>	<b>71.6</b>	<b>79.1</b>
<b>Total assets</b>	<b>757.4</b>	<b>632.1</b>	<b>636.0</b>	<b>748.4</b>	<b>743.5</b>
<b>Equity</b>	<b>274.0</b>	<b>182.9</b>	<b>146.2</b>	<b>91.3</b>	<b>90.4</b>
Deferred tax	9.5	8.5	0.0	0.0	0.0
Other provisions	0.0	0.7	0.0	0.0	4.4
Bond loans	335.0	335.0	335.0	0.0	0.0
Other non-current liabilities	85.9	35.5	35.2	192.0	193.0
<b>Long-term interest-bearing debt</b>	<b>420.9</b>	<b>370.5</b>	<b>370.2</b>	<b>192.0</b>	<b>193.0</b>
Short-term interest-bearing debt	0.0	15.1	13.9	373.9	360.3
Current liabilities	53.0	54.4	105.6	91.3	95.4
<b>Current liabilities</b>	<b>53.0</b>	<b>69.5</b>	<b>119.6</b>	<b>465.2</b>	<b>455.8</b>
<b>Total equity and liabilities</b>	<b>757.4</b>	<b>632.1</b>	<b>636.0</b>	<b>748.4</b>	<b>743.5</b>

# Profit and loss forecast 2018 - 2023

## Profit and loss forecast, SEKm

SEKm	2018	2019F	2020F	2021F	2022F	2023F
<b>Revenue</b>	<b>545.0</b>	<b>594.0</b>	<b>632.1</b>	<b>667.0</b>	<b>681.7</b>	<b>705.5</b>
Revenue growth	40.0 %	9.0 %	6.7 %	5.5 %	2.2%	3.5 %
EBITDA IFRS 16	67.7	102.9	107.6	119.2	127.6	138.1
EBITDA-margin (IFRS16)	12.4 %	17.3 %	17.0 %	17.9 %	18.7 %	19.6 %
EBIT	-3.7 <sup>1</sup>	36.6	41.3	53.2	61.6	72.1
EBIT-margin	-0.7 %	6.2 %	6.5 %	8.0 %	9.0 %	10.2 %
Cash flow	2.8	29.4	20.0	26.9	31.8	40.3



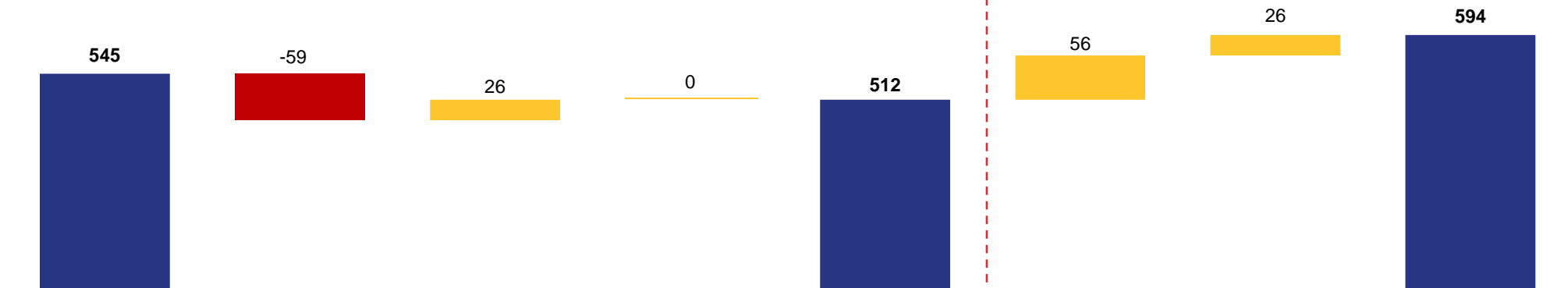
- Revenue is forecast to increase at a CAGR of 5.3% between 2018 and 2023, while EBITDA is forecast to increase at a CAGR of 15% over the same period of time
- However, the market situation is uncertain
  - The political discussion on the future employment policy makes the situation for YA's largest customer, the Public Employment Service (AF), very unclear
- In the forecast, YA has made eight key assumptions:
  - A refinancing outcome leading to solid possibilities for YA to capture and deliver continued growth
  - AF budget forecasts on AUB and FUB published February 19, 2019
  - Lower growth ambitions and higher focus on profitability leads to maintained market shares of AUB and FUB and thus lower revenue from AF as its demand of vocational training is forecasted to fall
  - Reduced growth ambitions in YH, leading to levelling out of revenue and increased operational efficiency/margins
  - Continued growth in vux-volumes and in share of vux courses operated by private companies
  - Continued competence deficit on labor market, leading to corporate sales growth. Should that be changed, the negative impact will be counter-balanced by increase in AUB
  - Continued but relatively slow growth in Finland due to a larger profitability focus, leading to lower growth ambitions
  - The growth budget (that was announced in the Q4 report 2018) for 2019 will be materialized.
- Since the forecast was prepared, the market uncertainty has become even larger as e.g. some procurement processes that YA participates in has halted and the demand for real estate maintenance courses has declined

# Overview of the 2019 budget; revenue and gross profit

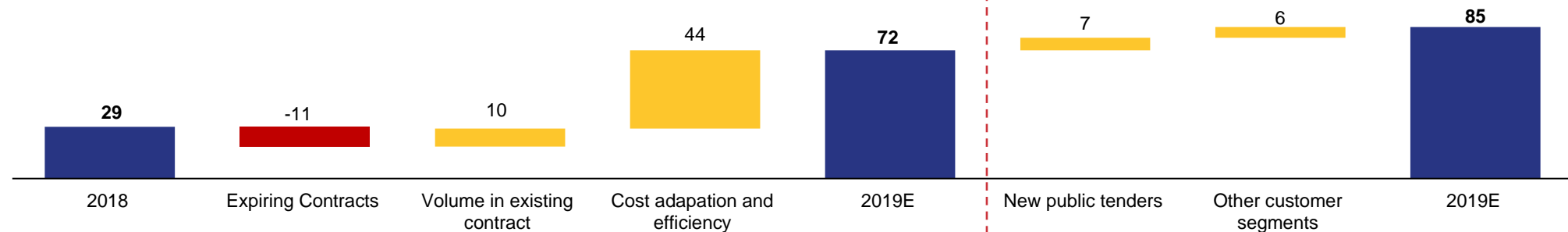
## Revenue and gross profit bridge 2018E-2019 budget, SEKm

**Budget – existing contracts**

*Revenue bridge*



*Gross profit bridge*



# Market uncertainty potentially impacting 2019

- The market is characterised by high uncertainty and changes could impact the Group's profitability in 2019 and beyond
- Below are some positive and negative aspects in the passed state budget and the 73 point program forming the base of the new government that could impact the Group's performance but where the timing and impact on the Group is still uncertain
  - The state budget was positive for YH but could have a negative effect on the AUB business
  - The 73 point program has positive and clarifying aspects to employment education but also increase worries in AF by setting short timeframe for radical reform

## Positive aspects

### From budget:

- Funding for YH is back to previous levels and new educations and commencement dates will be according to plan
- VUX is not impacted by the reduction in appropriations to municipalities
- AF response to the budget has focused on reducing subsidies for employment rather than reducing funding for AUB

### From governance program

- Confirm positive effects on YH and VUX
- Confirms that employment education that lead to employment should continue
- Reduces uncertainty of timeframe and schedule for reform of AF.
- Places AUB in the growing political program "The knowledge lift"

## Potential worst case scenario for AUB

- The overall AUB market could be reduced by ca. 25% during 2019 if the negative impact comes into effect
  - Revenue reduced by ca. 20% due to reduced funding for AF
  - Another 5-10% in reduced revenues from lack of resources at AF and inability to properly allocate funding and find participants
- With a worst-case scenario within AUB, EBITDA and liquidity would be severely impacted
  - Management estimates that EBITDA could decline by more than SEK 40 million compared to budget should the worst case scenario materialise 2019
  - Such scenario would put immediate pressure on an already constrained liquidity

## Negative aspects

### From budget

- AF's budget is reduced both for labour market policy measures and administration appropriation potentially affecting volumes
- Unclearities to AF on how the budget cuts should be materialized
- Continued ambitions to introduce an alternative to AF that is substituting advanced skill courses with cheaper courses and matching activities

### From governance program

- Confirms large structural reform of AF, stressing matching, not education
- Uncertainty about ab alleged "background paper" that C claims exist, even though it has not been made public
- Contains tax cuts that potentially could affect ability to expand education
- Political uncertainty on implementation
- Continued uncertainty in AF about future



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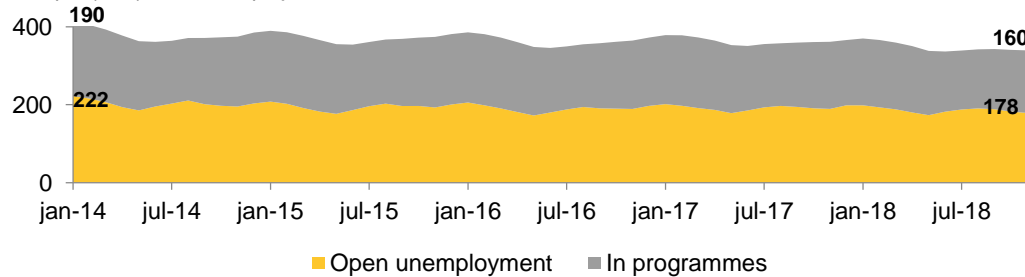
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# Key market drivers in the Swedish education market

## Historical unemployment in Sweden , 2014-2018

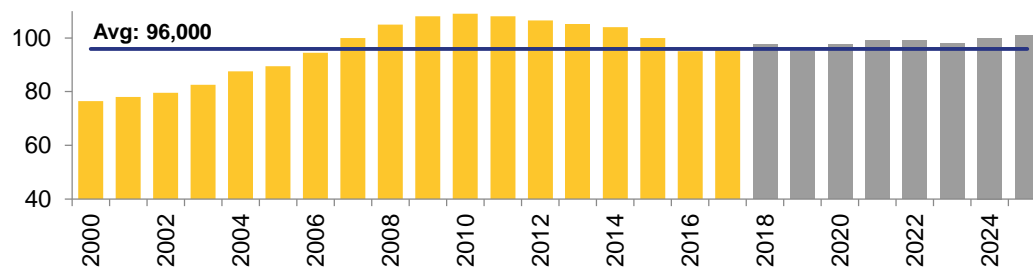
People ('000), and unemployment rate



- Overall unemployment in Sweden has decreased over the past few years, however, the frictional unemployment<sup>1</sup> is still a considerable market driver for education companies
  - Reduced unemployment rate from 8.0% in 2014 to 6.3% in March 2019
- YA also benefits from the increasing structural problems in the labour market with a clear mismatch between labour supply and market demands
- The majority of new jobs during 2019 is estimated to be filled by people born outside Sweden – with need for education and language courses

## Annual retirements in Sweden, 2005-2025

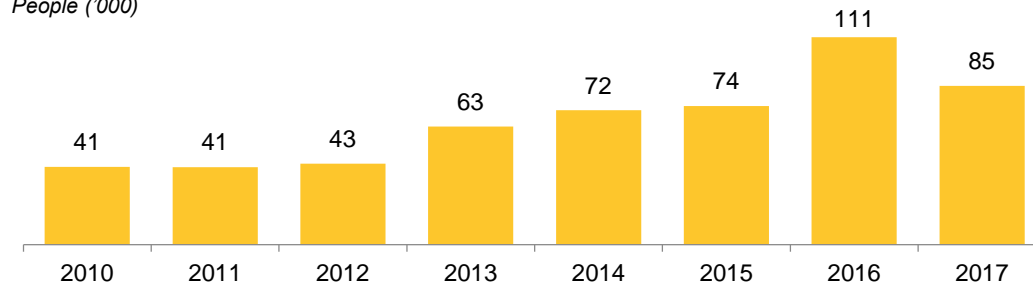
People ('000) — Annual avg. 2000-2017



- The job market is undergoing a demographic shift with retirements continuing to be on high levels
  - This is driving a high demand in, particularly, the public sector where 40% of employees are planning to hire more people during 2019
- Smaller regions are most affected which benefits educational companies with a wide infrastructure network servicing the most sought after educations
  - Construction, IT, health care, transport, hotel and restaurants are sectors in high demand over the coming 1-5 years

## Asylum and family reunifications granted in Sweden, 2010 -2017

People ('000)

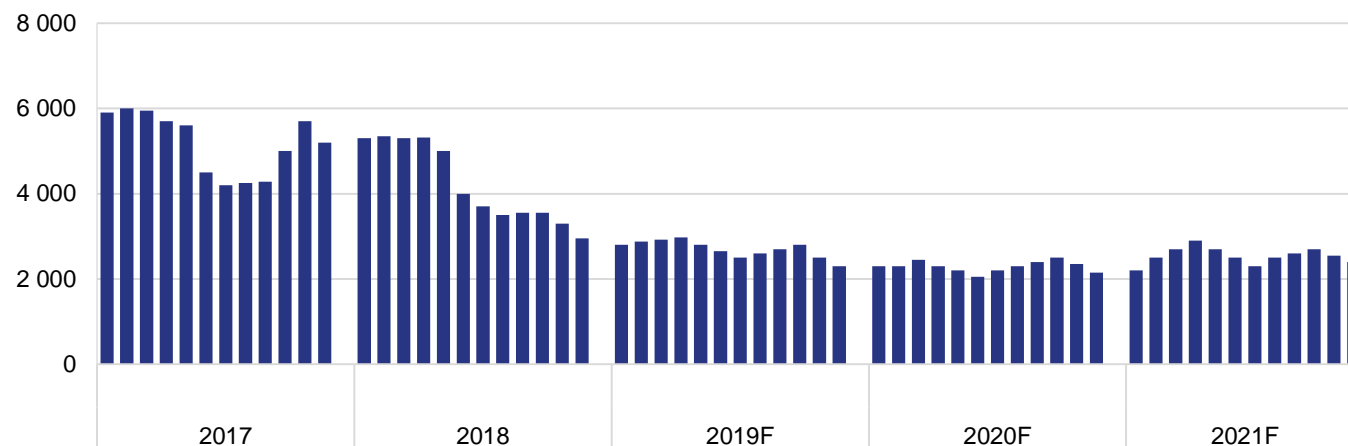


- Asylum seekers are generally less attractive in the labour market due to language barriers or lower education levels
  - With an increasing number of asylum and family reunifications over the past years, the need for AUB and language programmes are growing
  - Reducing the high unemployment rate of immigrants is a clear priority for AF
- In response to the growing need for Swedish language course, YA commenced Swedish for professionals in early 2018

# Volume and spending on AUB and FUB programmes

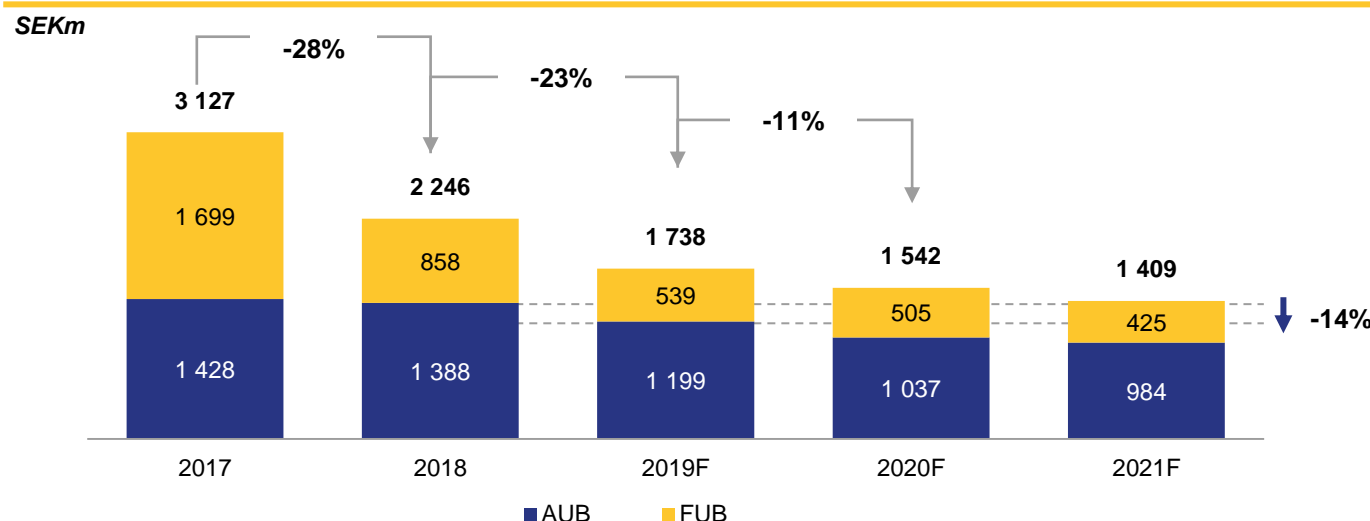
The forecasts are highly uncertain and was made prior to the new state budget for 2019

## Monthly participants in AUB, 2017 – 2021F, prognosis as per November 2018



- The number of participants typically follow a seasonal pattern with reduced numbers during the summer and increasing volumes during the end of the year
  - However, following AF's new target set in May 2018, volumes continued to be low during the autumn
  - This volume reduction is due to new budget appropriation
- AF is estimating continued volume reduction in 2019
  - Similar trend is estimated for participants in FUB programmes

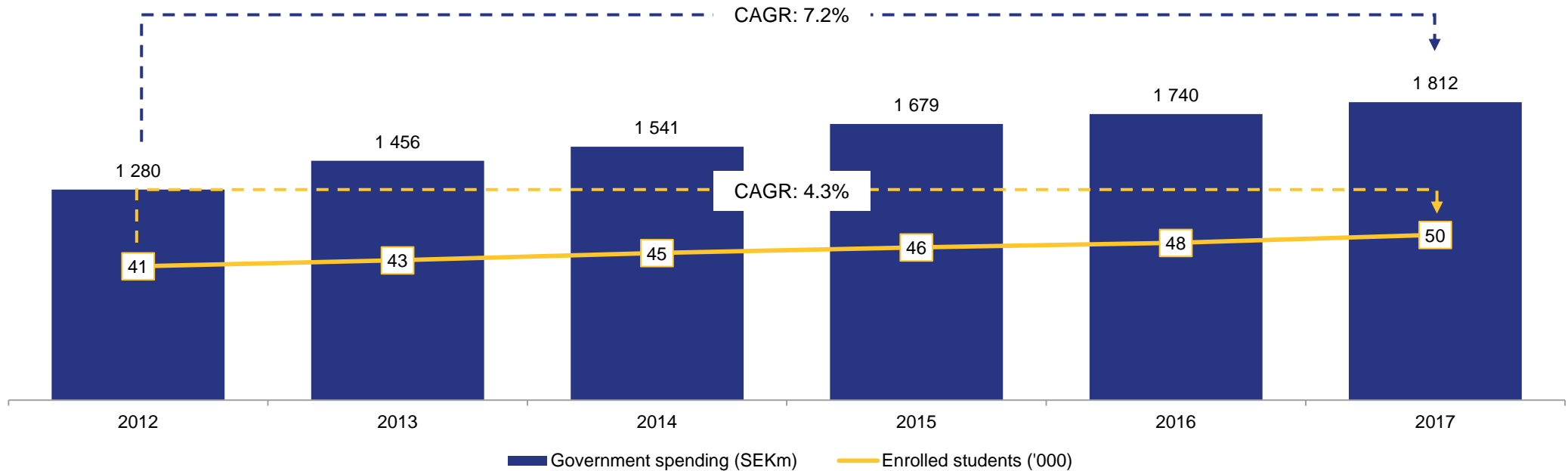
## Annual expenses for AUB, 2017 to 2021F, prognosis as per May 2019



- AF's forecast over expenditures for AUB and FUB programmes illustrate a continued decline in 2019
  - Expenditures are forecast to decrease by 23%
- Expenditures for AUB are estimated to decrease by 14% in 2019
- It should be noted that this forecast is uncertain and subject to change in political policy

# YH educations are illustrating stable growth

## Government spending and number of enrolled students in YH educations, 2012 - 2017

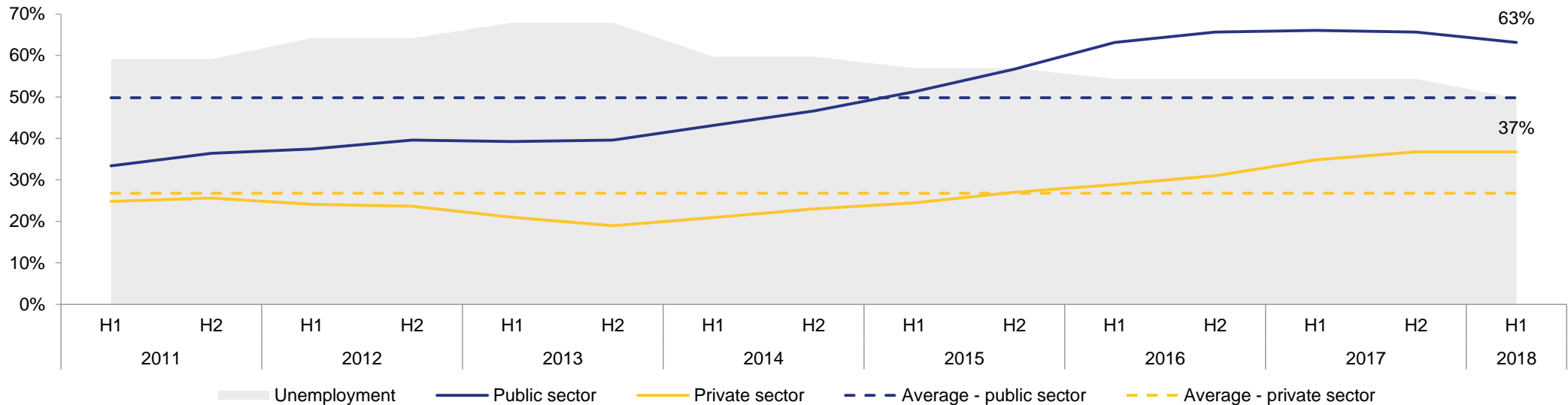


- Since 2012, the number of enrolled students have grown at a CAGR of 4.3% reaching over 50,000 at the end of 2017
  - The largest educations are within business & administration, manufacturing, IT, health care and construction
- Roughly 70% of the students are enrolled in educations provided by a private company, such as YA, the remainder is provided by municipalities
- To establish an YH program, a permit issued by a Swedish National Agency for YH is compulsory and applications are assessed by how well the curriculum pair with market needs
  - Applications are submitted in the autumn every year and the permit is provided early the following year

# Continued mismatch between demand and supply

## Undersupply of labour in the private and public sector, 2011-2018

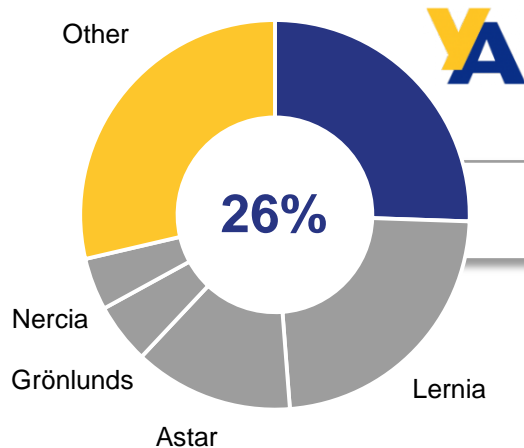
Share of employers stating a undersupply of labour in the organisation



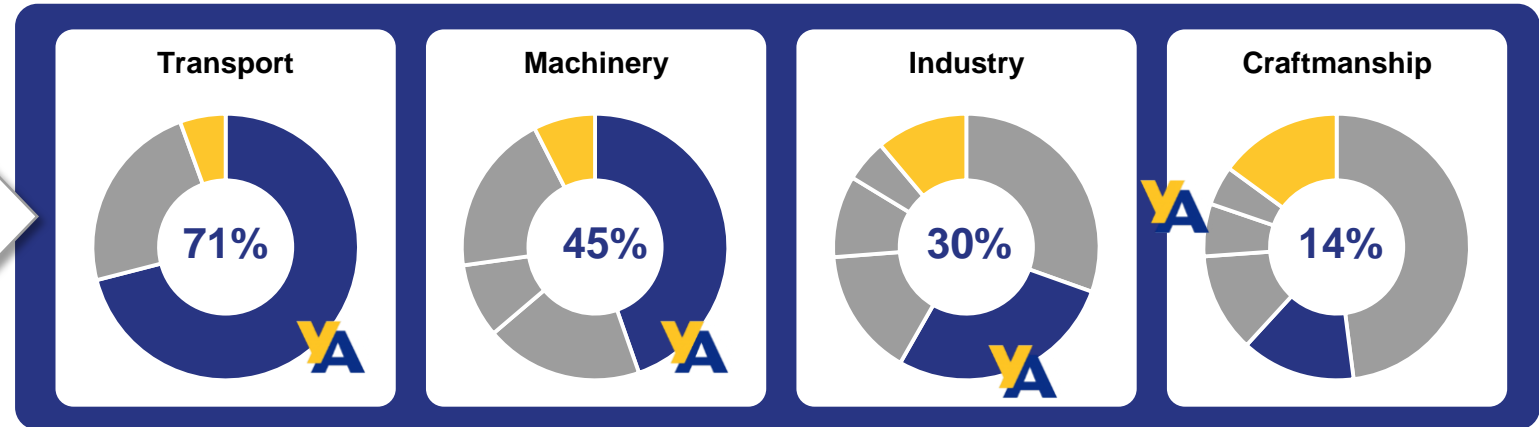
- There is currently a high demand for labour in both public and private sectors which is evidenced by the low unemployment rate, however, the mismatch between supply and demand in terms of competencies are on record levels
- This structural problem is clearly affecting the public sector where over 60% of employees are reporting a labour shortage due to lack of competence in the market
  - The private market follows a similar trend with increasing shortage of competence but is not as affected as the public sector
- Reducing the mismatch between needed competence and supply of competence in the labour market is essential to both reduce unemployment but also for the overall growth in the economy
- Labour market training programmes are an important tool to mitigate these structural issues and will benefit educational companies such as YA even in an environment with declining unemployment rates

# Strong market position within AF educations

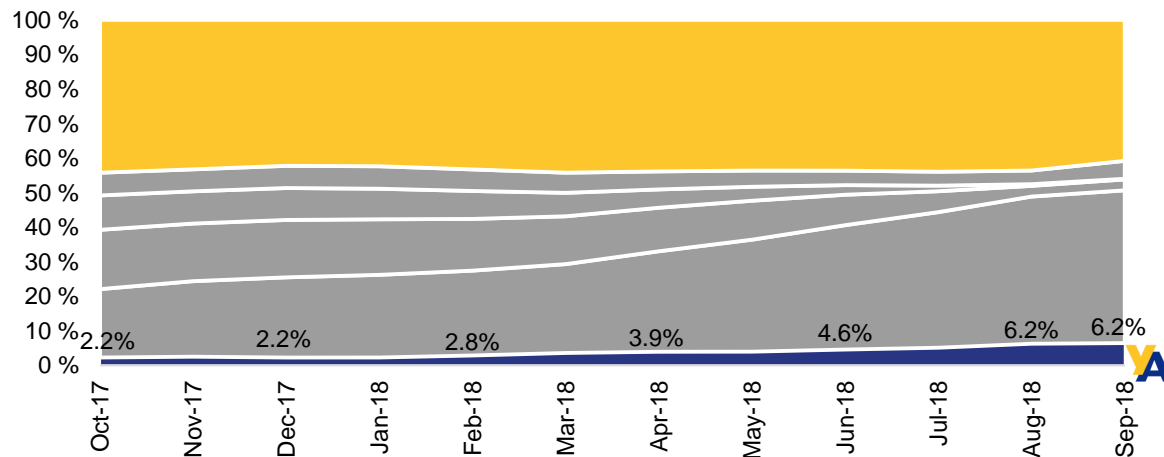
## Overall AUB market share 2018



## Market share for key educations, 2018



## FUB market share development<sup>1</sup>



- YA is the leading provider within AUB with a market share of 26% in 2018
- Within Transport and Machinery, YA is the dominant provider with a market share of 71% and 45% respectively
  - The development has been fairly stable over the past 12 months
- For the FUB programmes, YA has seen a strong increase in its market share, from 2.2% in Oct'17 to 6.2% as per Sep'18
  - The majority of the top players have lost a significantly share of its business during the same period to community colleges (Sw. *Folkhögskolor*)

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# Overview of the proposal

## Background to the Proposal

- YA has experienced dwindling financial performance since the end of 2016 and although profitability has improved during 2018 the current levels are still subdued by the decrease in market size of employment educations
- The Group has initiated several actions aiming to reduce costs and improve profitability but the market is still subject to high uncertainty especially with regards to volumes within AUB
  - Only a minor downturn in 2019 would put pressure on an already tight liquidity situation and have a material negative effect on the Group's debt service ability
- To prove a solid basis for a future going concern scenario, the Group has sought a holistic solution to restructure its balance sheet and improve its liquidity
  - A sustainable profitability level requires investments in new educations and an adequate liquidity buffer to absorb start-up costs. Hence, improving liquidity through both additional capital and a decreased coupon is essential to improve the Group's financial situation
- The Group does not have sufficient cash or alternative funding sources available to refinance the bond at maturity on 18 June 2019. Hence, an approval from the bondholders is crucial for the survival of the Group

## Summary of the Proposal

- The Group proposes the following amendments to the terms and conditions:
  - The tenor is extended by three (3) years to June 2022
  - The interest rate margin is 0.0% during H2 2019, 3.0% during 2020, 4.0% during 2021 and 5.0% during 2022
  - Covenant: Minimum reported EBITDA shall be SEK 79 million for the Relevant Period ending on 30 June 2021, SEK 81 million for the Relevant Period ending on 30 September 2021, SEK 83 million for the Relevant Period ending on 31 December 2021 and SEK 85 million for the Relevant Period ending on 31 March 2022
  - No subsequent bond issues or distributions allowed
  - Callable at 101/102/103% of the Nominal Amount during the 1/2/3 year after the effective date of the amendments. For the avoidance of doubt, the amount payable upon maturity shall be 103% of the Nominal Amount
  - The special majority requirement for future amendments of the Terms and Conditions is decreased from 80% to 2/3 of the Adjusted Nominal Amount
- In connection with the amendments, CapMan undertakes to provide a capital injection of SEK 40 million, where the proceeds are used to clean-down the revolving credit facility and for general corporate purposes
- An additional capital injection, of up to SEK 30,000,000, guaranteed by CapMan will be provided if the Group's working capital facility is not undrawn for a period of at least five consecutive Business Days during H1 and H2 of any calendar year. Such capital injection will be made in increments of SEK 5,000,000 to ensure that the working capital facility is undrawn
- The proposal will substantially improve liquidity and allow for sufficient time to improve operational performance



# Summary of main bond terms

	Existing bond terms	Proposed amendments
Issuer	YA Holding AB (publ)	No change
Outstanding amount	SEK 335,000,000	No change
Subsequent bond issue	Up to SEK 400,000,000	Not permitted
Coupon	3 months Stibor + 7.00%, quarterly cash interest	3 months Stibor + 0.0% / 3.0% / 4.0% / 5.0% during H2 2019 / 2020 / 2021 / 2022
Maturity	18 June 2019	18 June 2022
Status	Senior secured bond	No change
Security	Pledge over the shares in the Issuer and pledges over certain intercompany loans within the Group	No change
Financial covenant	None	Minimum reported EBITDA for the Relevant Period ending on 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022 shall be SEK 79 million, SEK 81 million, SEK 83 million and SEK 85 million, respectively
Negative pledge	Negative pledge with carve-outs for, <i>inter alia</i> , working capital facility of maximum SEK 30,000,000, finance lease of SEK 75,000,000 and a general basket of SEK 10,000,000	No change
Distributions	Not to exceed 50% of previous years net profit	No distributions permitted
Redemption at maturity	100% of the Nominal Amount	103% of the Nominal Amount
Call structure	Callable at 102.50% of par until 18 March 2019 when the call price steps down to 100.00% until maturity	Callable at 101/102/103% of par during the 1/2/3 year after the effective date of the amendments. For the avoidance of doubt, the amount payable upon maturity shall be 103% of the Nominal Amount
Incurrence test	<ul style="list-style-type: none"> <li>Net debt to EBITDA: &lt; 3.0</li> <li>Interest coverage ratio: &gt; 2.5</li> </ul>	Only applicable in relation to acquisitions (no subsequent bond issues allowed post amendments)
Change of control	Investor put at 101%	No change
Governing law / listing	Swedish / Nasdaq Stockholm	No change
Agent	Nordic Trustee	No change

Note: Please see full Notice of Written Procedure for further details

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# Risk factors

*Investments in notes always entail a certain degree of risk and this is also the case for an investment in the Notes. A number of factors, both within YA Holding AB (publ)'s (the "Company") control but also factors not controllable by the Company affect and may come to affect the Group's profit, financial position and the Notes. The risk factors applicable, both general risks attributable to the Group's operations and risks linked directly to the Notes in their capacity of financial instruments, are described below. The intention is to describe risks that are linked to the Group's business and thus also the Company's ability to fulfil its obligations in accordance with the Terms and Conditions. The below overview of risk factors are not ranked in order of importance. Any potential investor should carefully consider the risk factors described below, as well as any other provided information about the Group and the Notes. In addition, an investor must, alone or together with its financial and other types of advisers, engage in a general evaluation of external facts, other provided information, publicly available information and general information about the vocational education market and vocational education companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks. Additional risk factors which the Company is not currently aware of or that currently are not considered to be material, may also affect the Group's future operations, result and financial position, the Notes and the Company's ability to fulfil its obligations. All risk factors described below may potentially adversely affect the Group's operations, financial position and result. In turn this would affect the Company's ability to fulfil its obligations in accordance with the Terms and Conditions.*

*Any term not otherwise defined herein shall have the same meaning as used in the Terms and Conditions of the Notes.*

## Risks relating to the Group and its operations and the market

### Public procurement procedure and lack of optimization of contract terms

The Company is one of Sweden's largest vocational education companies. The Group has over sixty (60) locations, plenty of educational units across Sweden and a growing presence in Finland. A vast majority of the Group sales derive from contracts related to the public procurement (Sw. *offentlig upphandling*) and a small amount from contracts related to the private sector (private educations).

The Group is to a great extent affected by political reforms and procedures of the

Swedish Public Employment Service (Sw. *Arbetsförmedlingen*) ("AF") as being further described under the risk factor "Political risks" below.

The Company is Sweden's leading provider in labour market training (Sw. *arbetsmarknadsutbildning*) which is the backbone of the Group, and which also accounts for a vast majority of the Group's total sales. The labour market training has experienced reduced volumes in 2018 and the market development in 2019 could be negatively impacted by further reducing funding for AF.

All contracts entered into with public authorities, such as AF, should be entered into following a public procurement procedure. Said agreements are generally entered into for a fixed two year term, with the possibility for AF to prolong the contracts with one year two additional times. There is a risk that AF will not prolong the contracts and if a contract is not prolonged, there is a risk that the Company will not receive anticipated income for its business. Upon expiry of the agreements, a new procurement procedure must be initiated in order for the business to continue, and there is a risk that AF decides not to continue the education, move it to another geographical location, or that the Group will not be re-awarded the tendered contracts. Moreover, if the Company is awarded a contract, there are normally no volume guarantees in participants and thus a risk that income will be lower than expected. The contracts include commitments with regards to providing teachers, premises, equipment etcetera, regardless of the number of participants. Failure to fill the courses with a sufficient number of participant may lead to fixed costs ratios for providing the courses and a suboptimal use of the Group's resources.

Furthermore, there is a risk that an award decision is challenged by a competitor in the Swedish Administrative Courts and the court can decide that the procurement shall be recommenced, causing delay, increased costs or even jeopardizing the award of the contract.

As a result of the public procurement procedure required for the majority of the customer contracts of the Group, and in particular as a result of the fixed terms of such contract, there is a risk that the terms of such underlying tender agreements cannot be matched with the terms of the Group's supply and other production-related agreements (e.g. agreements in relation to leasing of equipment, employment and premises and various supplier agreements), causing increased costs in relation to income, this could have a material negative impact on the Group's operations, financial position and results.

# Risk factors cont'd

Moreover, higher vocational education requires permits from the Swedish National Agency for Higher Vocational Education (Sw. *Myndigheten för Yrkeshögskolan*) and are dependent on government grants. The government grants is a fixed sum which is granted by the Swedish National Agency for Higher Vocational Education and based on the number of students participating in the education programmes. There is a risk that necessary permits are not obtained or renewed, causing a loss of income, which could jeopardise the Group's operations within higher vocational education. There is also a risk that the number of students participating in the education programmes will decrease.

There is a risk that other factors are impacting profitability such as higher use of consultants than anticipated, start-up costs for new educations, and as mentioned above, that a low number of participants in certain educations compared to budget, result in high fixed costs such as costs for premises and staff.

The abovementioned risks could have a material negative impact on the Group's operations, financial position and results.

## Political risks

The providing of publicly funded vocational education is a highly regulated business. The Group is therefore affected by political reforms and decisions, changes to the policies and procedures of AF, other authorities implementing regulations, introduction of new legislation or regulations or changes regarding the application of existing legislation or regulations and other changes, regarding for example higher vocational education permits or other matters applicable to the Group's operations or its clients.

The Group's business is to a large extent governed by political budgetary resources. Political budgetary resources are rapidly changing. The political risks can in turn be divided into several dimensions; i.e. in which way the political budgetary funds are to be used and which educational measures are having the priority but also the procurement risk towards AF. Furthermore, there is a risk in the potential radical reform or even close-down of AF and hence in such scenario less course participants will be referred to the Company.

AF has implemented a savings programme to meet the new state budget limits. Having a reduced political support for AF means that the Group will have to adapt its business activities in accordance therewith and it is unclear how such reduced budget for AF will impact the Group's volumes in 2019.

However, in summary, the new government budget could negatively impact the Group's business such as AF's budget being reduced forcing significant personnel reductions within AF, reorganisation and close-down of AF which could lead to uncertainty to find and match participants to the Group's educations, leading to reduced volumes and utilisation rates. Moreover, discussions are ongoing to reduce labour market training volumes and to move labour market training to vocational secondary education.

Since a clear majority of the Group's revenues are received from contracts entered into with AF, a reduction or close-down of AF, including the municipalities' use of financial resources, including any reforms, changes of policies and new legislation or changes in relation thereto could have a material negative impact on the Group's operations, financial position and results.

## Service development

The Group's growth and development is dependent upon its ability to develop new and innovative services and its ability to attract its customers (such as public authorities, private companies or students). The Group's educational services are focused on four segment; labour market training, vocational university, vocational secondary education and corporate and private clients. The Group has been assisted by a third party consultant to develop a new business plan aiming to increase profitability. There is a risk that the Group will not continue to be successful in its business fields (or any other new fields) even though a new business plan is adopted. Should the Group not be able to develop its educational services successfully or not being able to adopt its business to the relevant market conditions, it could have a material negative impact on the Group's operations, financial position and results.

## Fluctuations in demand

The Group is reliant on demand for the Group's services. Such demand is dependent on e.g. unemployment, immigration levels and political decisions. Regulatory changes and budget changes are also affecting the demand for the Group's services. Contracts to which the Group has entered into may include commitments to deliver education even if only a few participants apply and in such scenario there is a risk that profitability will become low or even negative.

Moreover, should the Group lose tender processes it could affect the Group's business negatively. Currently there is a tender process in relation to machine operator educations and AF has announced a reduction of education sites due to market decline.

# Risk factors cont'd

Changes in demand arising due to economic downturn or customers sourcing alternative suppliers, among other factors, and tender processes could have a material negative impact on the Group's operations, financial position and results.

## Cost reduction programme

The Group has initiated a cost reduction programme. The purpose with the programme is to meet the market uncertainty where cost savings can be increased or reduced depending on changes in demand. Should the programme not be successful or should the Group for example close-down courses or programmes due to cost savings in breach of any contract it could have a material negative impact on the Group's operations, financial position and results.

See further information under risk factor "*Public procurement procedure and lack of optimization of contract terms*" above.

## Changes in legislation

A change in the current tax legislation, or the interpretation thereof, resulting in increased taxes could result in the Group facing an increased tax burden which could have a material negative impact on the Group's operations, financial position and results.

In June 2018, the Swedish Government passed legislation regarding new interest deduction limitation rules. The rules entered into force on 1 January 2019. Under the legislation, a general limitation for interest deductions in the corporate sector applies by way of an EBITDA-rule under which net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses, are only deductible up to thirty (30) per cent of the taxpayer's EBITDA for tax purposes. As an alternative rule, which can be applied instead of the EBITDA-rule, net interest expenses of up to a threshold of SEK 5 million are always deductible for tax purposes (if the taxpayer is part of a group, the threshold applies for the group as a whole). Also, it is possible to offset a tax payer's net interest expenses against net interest income of an affiliated group company with which the company may exchange group contributions for tax purposes.

The legislation further states that interest costs may not for tax purposes be included in the tax basis value of certain assets, for example real property and land. Further, adjustments are made to the interest deduction limitation rules for interest costs on loans between affiliated companies. In summary, interest costs on loans to affiliated companies are only deductible if the affiliated company is either a resident in the EEA, in

a country that Sweden has concluded a tax treaty with that is not limited to certain income (and the affiliated company is covered by the treaty) or is subject to a tax rate of at least ten (10) per cent on the interest income. However, no deduction is allowed if the exclusive, or as good as exclusive, reason for the debt is for the group to receive a substantial tax benefit. The above legislation and any other changes to tax legislation could have a material negative impact on the Group's operations, financial position and results.

## Reputation

Publicly financed institutions, such as education companies, are generally subject to attention from the media. As a result, there is a risk that the Groups operations from time to time will be subject to the "public eye". Negative media attention could affect, *inter alia*, the established trademarks of the Group and the Group's ability to attract customers, and could in turn have a material negative impact on the Group's operations, financial position and results.

## Dependency on members of management and other key personnel

The knowledge, experience and commitment of the Group's employees are important for the Group's future development. If the Group is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Group, this may have a material negative impact on the Group's operations, financial position and results.

## Permits

Some of the Group's operations are publicly funded and permission based education, which requires permits (e.g. the operation of a traffic school requires a permit from the Swedish Transport Agency (Sw. *Transportstyrelsen*). There is a risk that the such permits are not obtained or renewed, causing a loss of income, or even jeopardizing the Group's operations. Said risks could have a material negative impact on the Group's operations, financial position and results.

# Risk factors cont'd

## Environmental risks

The Company is through its subsidiaries indirect owner of real properties and site leasehold rights (Sw. *tomträttigheter*). According to Swedish legislation, a party that has conducted operations which have caused contamination is primarily responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the properties should be put forward to the Group, this may have a material negative impact on the Group's operations, financial position and results.

## Competition and price pressure

The Group operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs (*inter alia* digital education or changes relating to any political decisions). It may become necessary for the Group to make significant investments, restructure operations or implement price reductions in order to adapt to new competition. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it could have a material negative impact on the Group's operations, financial position and results.

## Credit risk and counterparty risk

The Group is exposed to credit risk. The Group's current and potential customers may find themselves in situations, for example due to financial circumstances, where they cannot pay the agreed remuneration as it falls due or otherwise abstain from fulfilling their obligations. If the Group's counterparties are unable or unwilling to fulfil their obligations towards the Group, it could have a material negative impact on the Group's operations, financial position and results.

In addition, counterparty risks within the Group's financial operations arise, *inter alia*, in the event of investment of excess liquidity and upon obtaining long-term and short-term credit agreements. If any counterparty risk arises it could have a material negative impact on the Group's operations, financial position and results.

## Liquidity risk, refinancing risk and early redemption risk

Liquidity risk is the risk that the Group cannot meet its payments obligations at the maturity date without the costs for obtaining cash or cash equivalents increasing

significantly. If the Group's liquidity sources prove not to be sufficient, even if actions are taken to improve liquidity, there is a risk that the Group can only meet its payment obligations by raising funds on terms significantly increasing its financing costs or that the Group cannot meet its payments obligations at all and as a result thereof being in default under material agreements entered into by the Group, which could have a material negative impact on the Group's operations, financial position and results. There is also a risk that the Group's existing financing is terminated and that the Group cannot replace such financing as necessary, such as for example the Group's credit facilities (from time to time).

The financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Group falls due and needs to be refinanced. This in turn could affect the Company's liquidity and consequently affect the possibility to repay debt as it falls due and which in turn could have a material negative impact on the Group's operations, financial position and results.

Upon the occurrence of certain events, the Company is obliged under the Terms and Conditions to, at the request of any Noteholder, mandatorily redeem the Notes held by such Noteholder. If this occurs, the Company will be exposed to an increased liquidity risk, *i.e.* the risk that the Company cannot fulfil its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst case scenario, not at all. If such circumstances were to occur, it could have a material negative impact on the Group's operations, financial position and result.

## Interest rate risk and risk of changes in the Group's interest rate derivatives

The interest rate for the Notes is floating which exposes the Group to interest rate risk. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Group's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *repo-räntan*). Changes in interest rate could have a material negative impact on the Group's financial position and long-term results.

Due to the interest rate risk, the Group may decide to use interest rate derivatives, mainly consisting of interest rate swaps. The interest rate derivatives are reported at fair value in the balance sheet and with changes in value in the profit and loss account. As



# Risk factors cont'd

the market interest rates changes, a theoretical over or under value on the interest rate derivatives occur which, however, does not affect the cash flow. At the end of the term, the value of the derivatives is always zero. A derivative constitutes a hedging against higher interest rates, but it also means that the market value of the Group's interest rate derivatives decreases if the market interest rates decrease, which in turn has a material negative impact on the Group's operations, financial position and results.

## Disputes and litigation

The Group may become involved in disputes or subject to other litigation in the future. A negative outcome of a dispute could have a material negative impact on the Group's operations, financial position and results.

## Risk related to accounting rules and uncertainty in estimates

The Group is affected by the accounting rules applicable in the jurisdictions in which the Group operates, including IFRS and other international accounting standards. The Group's accounting, financial reporting and internal control may in the future be affected by changes of or altered practices in relation to applicable accounting rules, for example IFRS 16. This could result in uncertainty regarding the Group's accounting, financial reporting and internal control.

Although the Group's accounting, financial reporting and internal control are conducted in accordance with the Group's interpretation of the currently applicable accounting rules there is a risk that the Group's interpretation of such rules is incorrect.

There is also a risk that changes to applicable accounting rules, such as for example IFRS 16, or an altered application of the now applicable accounting rules could affect the Group's financial result, balance sheet and equity which could have a material negative impact on the Group's operations, financial position and results.

## Risk related to relationship with labour unions

It is important for the Group to have good relationship with its employees and with labour unions. Similar to all businesses, there is a risk that conflicts and discussions arise and that the Group cannot have constructive dialogues with its union counterparts. There is a risk that disagreements and disputes may arise which could for example lead to strikes and disruptions. Should such disagreements and/or disputes arise it could have a material negative impact on the Group's operations, financial position and results.

## Risk relating to data privacy

Within the ordinary course of business, the Group handles personal data. The business environment in which the Group operates faces the risk of data theft or data leakage, which may strike personal data pertaining to both customers and employees. There is a risk that the Group's security measures, routines and practices are not sufficient to prevent improper access to, or disclosure of, personally identifiable or proprietary information.

Furthermore, data privacy is subject to frequently changing rules and regulations. In May 2018, General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") entered into force in Sweden. The regulation is set by EU to ensure that the data protection for individuals is strengthened and unified. Should the Group be unable to comply with the measures and requirements set out in the GDPR such non-compliance could lead to significant administrative fines. Should such risks materialise, it could have a material negative impact on the Group's operations, financial position and results.

## Risk related to impairment of non-financial assets

A substantial part of the Group's intangible fixed assets consists of goodwill. Goodwill is evaluated annually to identify any necessary impairment requirements in view of the best available information. In the event that future impairment tests in respect of decreases in the value of goodwill should lead to impairment, it could affect the results, which, in turn, could have a material negative impact on the Group's operations, financial position and results.

## Risk related to relationship with labour unions

It is important for the Group to have good relationship with its employees and with labour unions. Similar to all businesses, there is a risk that conflicts and discussions arise and that the Group cannot have constructive dialogues with its union counterparts. There is a risk that disagreements and disputes may arise which could for example lead to strikes and disruptions. Should such disagreements and/or disputes arise it could have a material negative impact on the Group's operations, financial position and results.

# Risk factors cont'd

## Dependence on material contracts

The Group is dependent on entering into agreements with administrative authorities, municipalities, vocational universities and private companies in order to provide its educational services. At the time being, transport is the Group's largest segment and earthmoving machine operator is the Group's second largest segment. All major transport contracts expire in 2021. Should the Group not win enough tender processes or not be able to renew any existing contracts when the contracts expire or not be able to enter into new agreements it could have a material negative impact on the Group's operations, financial position and results.

## Insurance risk

Although the Group deems that it has a sufficient insurance coverage, there is a risk that the Group would not be fully compensated for damages suffered by the Group or which the Group is liable to compensate, which could have a material negative impact on the Group's operations, financial position and results.

## Risks relating to the Notes

### Credit risk

The Noteholders are exposed to credit risk in relation to the Company and a Noteholder's possibility to obtain payment in accordance with the Terms and Conditions is dependent on the Company's ability to meet its payment obligations, which in turn is dependent on the performance of the Group. The Company's financial position is affected by a number of factors, some of which have been described herein. If the Company's financial position was to further deteriorate, the credit risk for the Noteholders would increase, whereby the Noteholders may not receive payment in full, or at all, in accordance with the Terms and Conditions.

An increase in credit risk could also cause the market to price the Notes with a higher risk premium, which could adversely affect the value of the Notes. If the financial position of the Company was to further deteriorate, Noteholders might not be able to recover the invested amount when selling the Notes on the secondary market.

### Refinancing risk

The Group may be required to refinance certain or all of its outstanding debt, including the Notes. The Group does not have sufficient cash or alternative funding resources available to refinance the Notes at the Final Maturity Date, why the Issuer proposes

certain amendments to the Terms and Conditions as described in the notice to Written Procedure dated 14 May 2019. The Group's ability to successfully refinance is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material negative impact on the Group's operations, financial positions and results and on the Noteholders' recovery under the Notes. If the proposed amendments to the Terms and Conditions, as described in the notice to Written Procedure dated 14 May 2019, are not approved, the Noteholders may decide to accelerate the Notes.

### Early redemption by request of the Company and put option

The Company has, pursuant to the Terms and Conditions, the right to redeem the Notes prior to the specified maturity date. Such a right for the Company could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions. Such effects could also arise prior to the actual redemption period.

The Company could exercise its right to early redemption of the Notes when the market value of the Notes is higher than the relevant redemption price. If the Company elects to redeem the Notes when the market price is higher than the relevant redemption price this could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes.

According to the Terms and Conditions, the Notes are subject to prepayment at the option of each Noteholder (put option) if a so called Change of Control Event occurs. There is, however, a risk that the Company in the event that the Noteholders choose to exercise a put option will not have sufficient funds available at the time of such prepayment to make the required prepayment of the Notes. If the Company is unable to prepay the Notes upon a put option, this would adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Noteholders and not only those that choose to exercise the option.



# Risk factors cont'd

## Right of priority of Noteholders

The Noteholders have obtained certain security interests in the form of pledges over, *inter alia*, the shares issued in the Company and its direct subsidiary and a pledge over rights to payment under intragroup loans made from the direct parent of the Company, and will in the event of bankruptcy, company reorganisation or liquidation of the Company be able to obtain payment due under the Notes out of the proceeds from such security interests. To the extent the security interests provided in favour of the Agent, representing itself and the Noteholders, is not sufficient to cover the debt due under the Notes, the Noteholders will rank after other secured creditors, and *pari passu* with unsecured creditors of the Company in the event of bankruptcy, liquidation or company reorganisation of the Company. The Company and its subsidiaries are permitted to incur debt in the form of leasing arrangements, revolving credit facilities and factoring arrangements, in the aggregate amount of SEK 140,000,000. The subsidiaries and the Company are permitted to provide security in order to secure its obligations under such debt. As a result of this, the right to payments under the Notes will be structurally subordinated to the right to payment relating to debt incurred by subsidiaries of the Company under the abovementioned arrangements.

If the Company enters into bankruptcy, liquidation or company reorganisation proceedings, a Noteholder could lose all or part of his investment.

## Dependence on other companies in the Group

The Company is a holding company and holds no significant assets other than investments in its subsidiaries. The Company is thus dependent upon receipt of sufficient income related to the operation of and the ownership in the other entities within the Group to enable it to make payments under the Notes. The Group's operating companies are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Notes, or to make funds available for such payments. The ability of the Group's operating companies to make such payments to the Company is subject to, among other things, the availability of funds. There is a risk that the Company could not fulfil its obligations under the Notes if the Subsidiaries would not be able to provide the Company with necessary funds.

## Secondary market and liquidity risk

Even if the Notes are admitted to trading on Nasdaq Stockholm ("Nasdaq"), there is a risk that a liquid market will not develop or, if developed, will be sustained after

admission to trading. This can result in Noteholders being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. If a liquid market does not develop, or is not sustained, this may adversely affect the market value of the Notes.

## Currency risks

Any payment of interest and the principal amount of the Notes by the Company will be made in SEK. This will incur currency exchange risks if the investor's operations are mainly conducted in a different currency. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. A strengthening of the investor's base currency compared to the currency in which the placement is denominated decreases the value of the placement for the investor. Governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. If currency exchange rates were to change this may lead to Noteholders receiving a lower rate of return, final payment or nominal amount than expected.

## Risks relating to the clearing and settlement in Euroclear's book-entry system

The Notes are connected to Euroclear account-based system, which means that no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear's account-based system. The Noteholders are therefore dependant on the functionality of Euroclear's account-based system. If, due to any obstacle for Euroclear, the Company cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

# Risk factors cont'd

## Meeting of Noteholders

The Agent will, in accordance with the Terms and Conditions, represent all Noteholders in all matters relating to the Notes. However, there is a risk that the Noteholders, in certain situations, bring their own action against the Group which is unfavourable for the other Noteholders. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings.

The Terms and Conditions include certain provisions regarding meetings of Noteholders. Such meetings may be held in order to resolve matters *inter alia* relating to the Noteholders' interests under the Notes. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting in question or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Meeting of Noteholders. Consequently, there is a risk that a Noteholder is bound by resolutions which negatively affect the value of the Notes even if the certain Noteholder did not vote in favour of such resolutions or did not participate in the Meeting of Noteholders.

The Company has initiated a Written Procedure in order for the Noteholders to vote for amendments to the Terms and Conditions which include *inter alia* a proposal to extend the Final Maturity Date of the Notes. In the event such amendments are not approved, the Company will not be able to repay the Notes at the Final Maturity Date, which will negatively affect the Noteholders' recovery under the Notes.

## Amended or new legislation

These risk factors and the Terms and Conditions are based on Swedish law in force at the date of approval and registration and the Issue Date, respectively. There is a risk that future legislative measures or changes or modifications to administrative practices changes the conditions of the Notes. Accordingly, amended or new legislation and administrative practices could have a negative impact on the regulatory conditions on which this Note Issue was implemented, which may adversely affect the Noteholders' ability to receive payment under the Terms and Conditions.

## Ability to comply with the Terms and Conditions

The Group is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions.

A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Notes, resulting in the Company has to repay the Noteholders at the applicable call premium. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of the Notes.

## Risk of conflict of interest

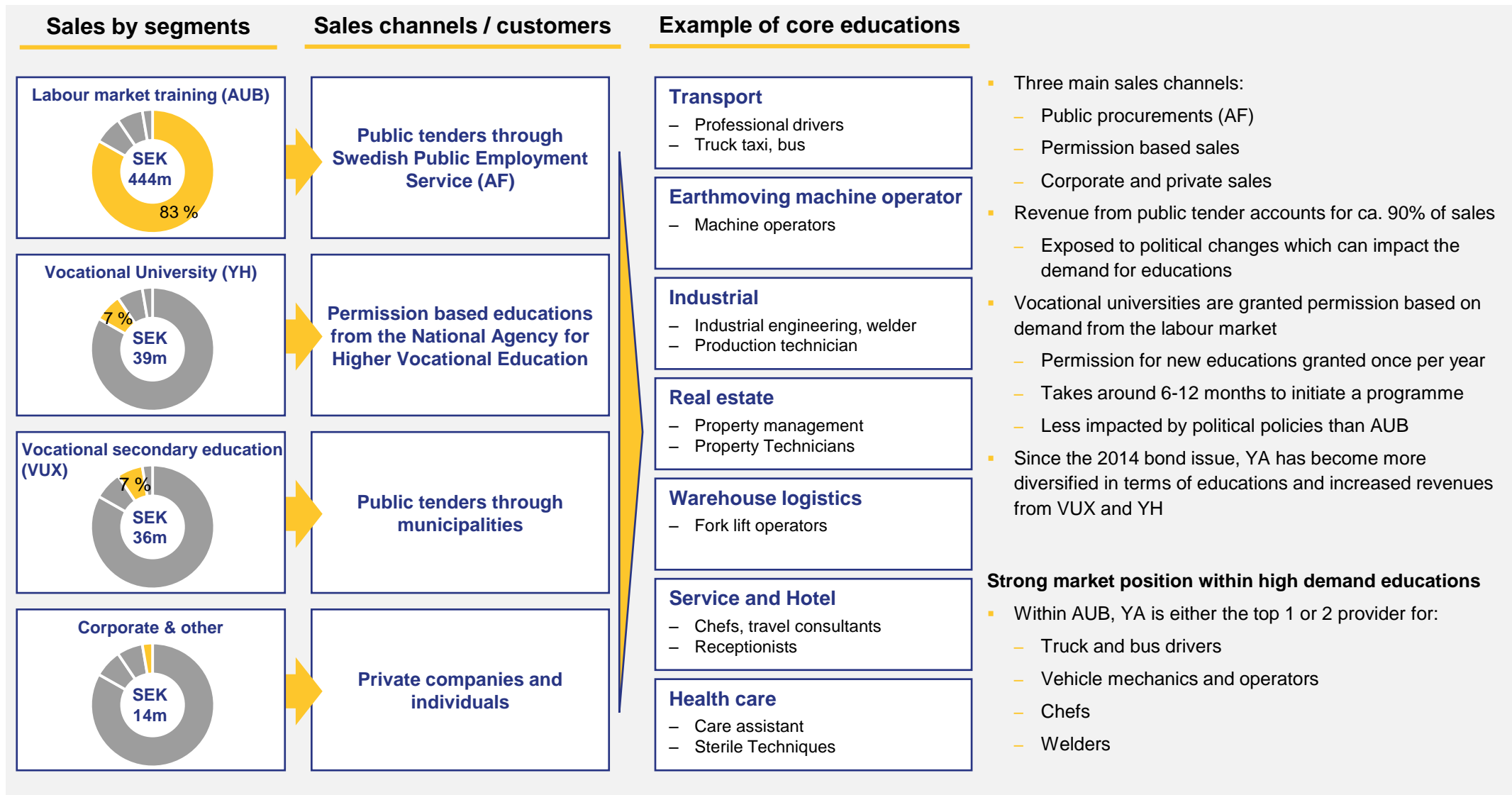
The issuing agent, bookrunner and/or financial advisor have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the issuing agent, bookrunner and/or financial advisor having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

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- 1 Update on the business
- 2 Contract situation
- 3 Financial forecast and historical development
- 4 Market overview
- 5 Transaction Structure
- 6 Risk factors
- 7 Appendix

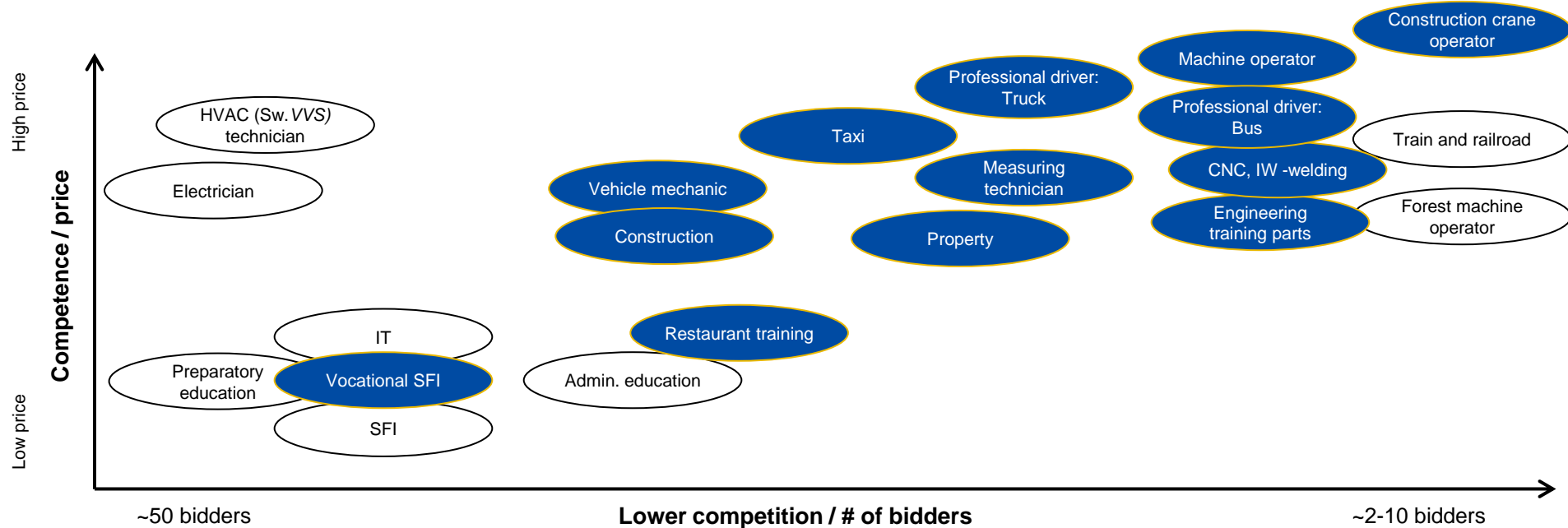


# Business areas - AUB is the largest focus areas



# Overview of YA's position in the AUB market

## Core markets positioning

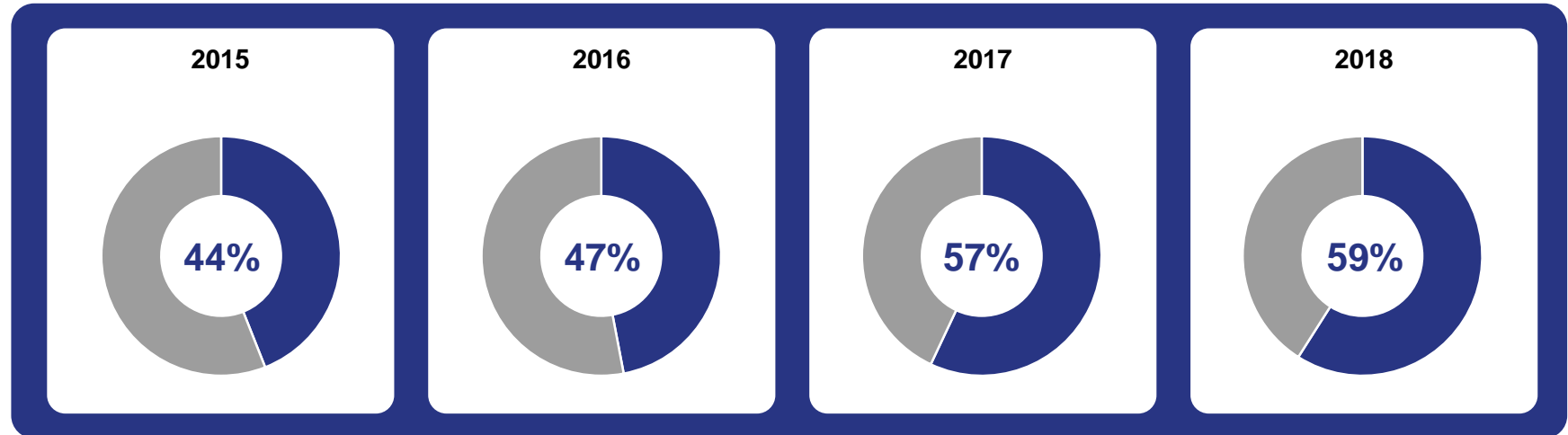


- Premium position in its core markets for AUB
- Achieves significantly higher price per participant and week compared to lower end educations
- The premium end of the AUB market is characterized by high complexity, high competence need and large investments, leading to lower competition and better margins
- The lower end of the AUB market is characterized by low complexity, low competence, limited investments and is also subject to high allocation of public spending, and hence exposed to fierce competition and price pressure

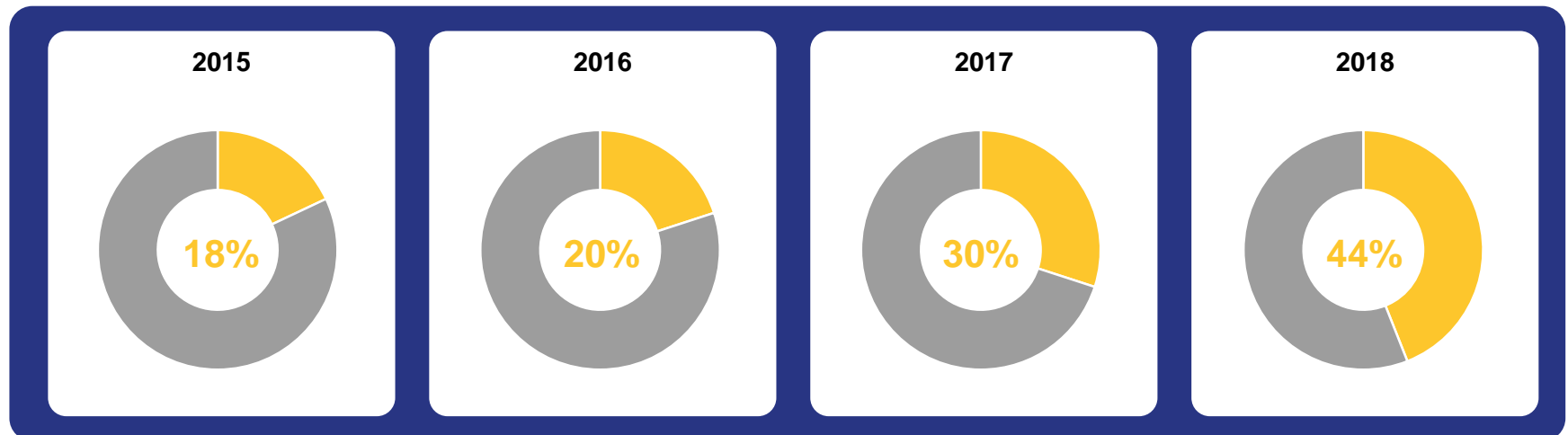
# Historical win rates

Overview of historical win rates, 2015-2018

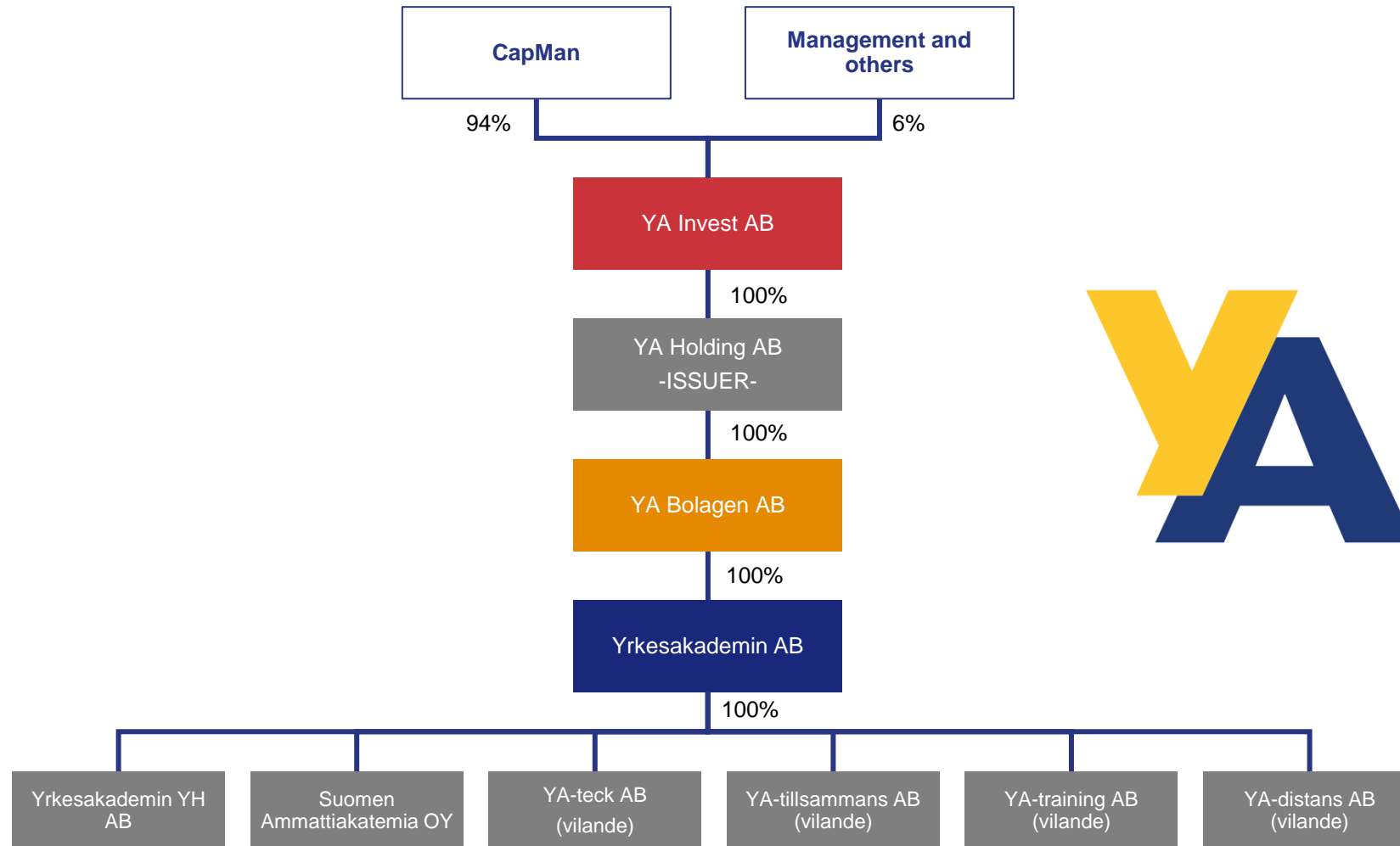
Labour market  
training (AUB)



Vocational  
University (YH)



# Legal structure and current ownership structure



**PROPOSED AMENDED AND RESTATED  
TERMS AND CONDITIONS**

*Schedule 4*

*[See following pages]*





## **TERMS AND CONDITIONS FOR**

**YA HOLDING AB (PUBL)**

**UP TO SEK 400,000,000**

**SENIOR SECURED**

**FLOATING RATE NOTES**

**ISIN: SE0005990835**

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

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# 1 Definitions and construction

## 1.1 Definitions

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

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

“**Accounting Principles**” means generally accepted accounting principles, standards and practices in Sweden, including international financial reporting standards (IFRS), if applicable.

“**Acquisition**” means the acquisition by the Issuer of the Target Group.

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

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

“**Bookrunner**” means Swedbank AB (publ).

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

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

**“Calculation Principles”** means

- (a) that the calculation of the Leverage and the Interest Cover shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the Incurrence Test Event Date (the **“Incurrence Test Date”**);
- (b) that the Total Net Debt shall be measured on the Incurrence Test Date, but include the new Financial Indebtedness (for the avoidance of doubt, including Financial Indebtedness arising through the issue of any Subsequent Notes on the relevant Incurrence Test Event Date) (if any), provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Total Net Debt);
- (c) that the figures for EBITDA, Finance Charges and Net Finance Charges for the most recent Relevant Period prior to the relevant Incurrence Test Event Date shall be used for the Incurrence Test, but adjusted so that (i) entities acquired by the Group during the Relevant Period, or after the end of the Relevant Period but before the Incurrence Test Date, shall be included, *pro forma*, for the entire Relevant Period, (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period, and (iii) any new Financial Indebtedness (for the avoidance of doubt, including Financial Indebtedness arising through the issue of any Subsequent Notes on the relevant Incurrence Test Event Date) shall be included, *pro forma*, for the entire Relevant Period; and
- (d) that notwithstanding that the Issuer acquires Target and the other Group Companies first in connection with the release of funds on the Escrow Account, Target and the other Group Companies shall be part of the Group *pro forma* for the entire Relevant Period when calculating the Incurrence Test.

**“Capital Injection Guarantee”** has the meaning set forth in Clause 12.11.3.

**“Capital Injection Guarantor”** means CapMan Buyout X Fund A L.P.

**“Capital Injection Shareholder Loan”** means any loan incurred by the Issuer from the Parent if such loan (a) according to its terms and pursuant to a subordination agreement is subordinated to the obligations of the Issuer under these 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 Extended Final Maturity Date, and (c) according to its terms yield only payment-in-kind interest (PIK).

**“Cash”** means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company and to which a Group Company is alone (or together with other members of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any Group Company or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash except for Transaction Security or any Permitted Security constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements; and

- (d) the cash is freely and immediately available to be applied in repayment or prepayment of any Financial Indebtedness.

**"Cash Equivalent Investments"** means, in respect of the Group, and at any time, marketable commercial papers or debt securities held for cash management purposes that can be realised promptly and which have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper or debt securities, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating.

**"Change of Control Event"** means an event upon which any person or group other than the Investors becomes the owner, directly or indirectly, and have the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer.

**"Closing"** means the date on which completion of the Acquisition occurs in accordance with the terms of the SPA.

**"Clean Down"** means the event that the amount outstanding under the Revolving Facilities, less cash and cash equivalents of the Group, amounts to zero (0) or less, for a period of five (5) consecutive Business Days with not less than one (1) month elapsing between two (2) such periods, during each half calendar year starting on 1 July 2019 (*i.e.* during each period from 1 January up to and including 30 June and from 1 July up to and including 31 December, respectively, each year) (as evidenced by a Compliance Certificate).

**"Compliance Certificate"** means a certificate, in form and substance set out in Schedule 1 (*Compliance Certificate*), signed by an authorised signatory of the Issuer certifying, *inter alia*, that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with (i) an application of the Incurrence Test, the certificate shall include the ratio and calculations and figures in respect of the ratio of Leverage and the Interest Cover, (ii) an application of the Financial Covenant, the certificate shall include the figures in respect of the reported EBITDA for the Relevant Period and (iii) a Clean Down it shall include relevant information in respect of such Clean Down.

**"Conditions Subsequent"** means the documents and evidence set out in Schedule 2 part IV (*Conditions Subsequent relating to Initial Notes*).

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

**"Debt Instruments"** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

“**EBIT**” means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation:

- (a) before deducting any Net Finance Charges;
- (b) before taking into account any Exceptional Items;
- (c) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative which is accounted for on a hedge accounting basis);
- (d) before deducting any costs in relation to the Acquisition;
- (e) before taking into account any gain or loss arising on an upward or downward revaluation of any asset or liability or on a disposal of any asset (not being a disposal made in the ordinary course of trading);
- (f) before taking into account any pension items;
- (g) before deducting the proceeds of any business interruption insurance;
- (h) plus or minus the Group's share of the profit or losses (after finance costs and tax) of non-members of the Group; and
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

“**EBITDA**” means, in respect of any Relevant Period, EBIT for that Relevant Period after adding back any amount attributable to any amortisation, depreciation or impairment whatsoever of assets (including amortisation of any goodwill) of members of the Group.

“**Effective Date**” means [\[date\]](#).<sup>1</sup>

“**Escrow Account**” means a bank account of the Issuer held with the Issuing Agent, into which the net proceeds from the bond issue will be transferred and which has been pledged in favour of the Agent and the Noteholders (represented by the Agent).

“**Escrow Account Pledge Agreement**” means the pledge agreement created over the Escrow Account.

“**Event of Default**” means an event or circumstance specified in Clauses 13.1 to 13.9.

“**Exceptional Items**” means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment; and

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<sup>1</sup> [\[Note to draft: Being the date on which these amended and restated Terms and Conditions enters into effect\]](#)

(c) disposals of assets associated with discontinued operations,

up to an amount of SEK 10,000,000 in any Financial Year.

“**Existing Debt**” means;

- (a) the SEK 121,500,000 facilities agreement originally dated 18 May 2010 (as amended and restated on 20 January 2012) and entered into between, *inter alios*, Target and Swedbank AB (publ);
- (b) the SEK 5,100,000 investment loan agreement dated in December 2009 and entered into between Target and Swedbank AB (publ);
- (c) the SEK 25,200,000 subordinated vendor loan note issued by Target to Lars-Göran Hagström; and
- (d) the SEK 6,300,000 subordinated vendor loan note issued by Target to Georg Örn.

“**Existing Security**” means the security provided in favour of Swedbank AB (publ) in order to secure all obligations of the Target under its existing financial arrangements with Swedbank AB (publ).

“**Extended Final Maturity Date**” means 18 June ~~2019~~2022.

“**Failed Clean Down Period**” has the meaning set forth in Clause 12.11.2.

“**Finance Charges**” means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period:

- (a) excluding any upfront fees or costs;
- (b) including the interest (but not the capital) element of payments in respect of Finance Leases;
- (c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any Group Company under any interest rate hedging arrangement;
- (d) excluding any costs in relation to the Acquisition;
- (e) excluding commissions and/or fees paid on performance guarantees (as long as in compliance with current accounting principles); and
- (f) excluding any capitalised interest in respect of Shareholder Debt;
- (g) and so that no amount shall be added (or deducted) more than once.

“**Financial Covenant**” has the meaning set forth in Clause 12.10 (*Financial Covenant*).

“**Finance Documents**” means:

- (a) these Terms and Conditions;
- (b) the Security Documents;

(c) [the Capital Injection Guarantee;](#)

(d) ~~(e)~~any Compliance Certificate; and

(e) ~~(d)~~any other document designated as a “*Finance Document*” by the Agent and the Issuer.

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

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any derivative transaction (and, when calculating the value of that derivative transaction, only the marked to market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than sixty (60) days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above.

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

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

“**First Conditions Precedent**” means the documents and evidence set out in Schedule 2 part I (*Conditions Precedent relating to Initial Notes*).

“**First Issue Date**” means 18 June 2014.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.



**“Funds Flow Statement”** means the description of flow of funds disbursed from the Escrow Account for payment in accordance with Clause 3 (*Use of proceeds*).

**“Further Capital Injections”** has the meaning set forth in Clause 12.11.2.

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

**“Guaranteed Obligations”** means all present and future obligations and liabilities of the Issuer to the Holders and the Agent (or any of them) under or in respect of the Further Capital Injection as set forth in Clause 12.11.2 of these Terms and Conditions, together with all costs, charges and expenses incurred by any Holder or the Agent in connection with the protection, preservation or enforcement of its respective rights under such obligations and liabilities.

**“Incurrence Test”** means the ratios specified in Clauses 12.9.1 and 12.9.2 which shall be met on each Incurrence Test Date.

**“Incurrence Test Date”** has the meaning set forth in item (a) of the definition of Calculation Principles.

**“Incurrence Test Event Date”** means the date (i) immediately prior to the date when any sale of Subsequent Notes is launched by the Bookrunner, (ii) on which new Financial Indebtedness shall be incurred (other than Permitted Financial Indebtedness), or (iii) on which an acquisition in accordance with Clause 12.2 (*Acquisitions*) shall be made.

**“Initial Capital Injection”** has the meaning set forth in Clause 12.11.1.

**“Initial Notes”** means the Notes issued on the First Issue Date.

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) 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.

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

**“Interest Cover”** means the ratio of EBITDA to Net Finance Charges in respect of any Relevant Period.

**“Interest Payment Date”** means 18 March, 18 June, 18 September and 18 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest

Payment Date for the Notes shall be 18 September 2014 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means 3-months STIBOR plus the Interest Rate Margin.

“**Interest Rate Margin**” means

- (a) seven (7.00) per cent. *per annum* ~~from (but excluding) the First Issue Date up and including to the Original Final Maturity Date;~~
- (b) zero (0.00) per cent. *per annum* from (but excluding) the Original Final Maturity Date up to (and including) 18 December 2019;
- (c) three (3.00) per cent. *per annum* from (but excluding) 18 December 2019 up to and including 18 December 2020;
- (d) four (4.00) per cent. *per annum* from (but excluding) 18 December 2020 up to and including 18 December 2021; and
- (e) five (5.00) per cent. *per annum* from (but excluding) 18 December 2021 up to and including the Extended Final Maturity Date.

“**Intra-group Debt**” means the intragroup debt arising as a result of the on-lending of the proceeds under the Initial Notes and any Subsequent Notes by the Issuer to Target.

“**Intra-group Loan Agreement**” means the intragroup loan agreement relating to the Intra-group Debt.

“**Investors**” means CapMan Buyout X Fund A L.P. and CapMan Buyout X Fund B Ky.

“**Investor Affiliate**” means any holding company which directly or indirectly owns 100 per cent of the shares in the Issuer, and which is ultimately owned by the Investors.

“**Issuer**” means YA Holding AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556969-1727.

“**Issuer Share Pledge Agreement**” means the share pledge agreement relating to all issued shares in the Issuer.

“**Issuing Agent**” means Swedbank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Leverage**” means, in respect of any Relevant Period, the ratio of Total Net Debt on the Incurrence Test Date to EBITDA in respect of the applicable Relevant Period.

“**Net Finance Charges**” means, for any Relevant Period, the Finance Charges for that Relevant Period after deducting any interest receivable in that Relevant Period by any Group Company on any cash or cash equivalent investment.

“**Net Proceeds**” has the meaning set forth in Clause 3 (*Use of proceeds*).

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

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

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

“**Original Final Maturity Date**” means 18 June 2019.

“**Parent**” means YA Invest AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556970-1146.

~~“**Permitted Distribution**” means the payment of any dividend, return on capital, repayment of capital contributions or other distribution or payment in respect of share capital by the Issuer, no earlier than 2017, in a total amount not exceeding (for all such matters) fifty (50) per cent of the consolidated net profit of the Group in accordance with its latest available annual accounts, provided that (i) such distribution is permitted by law and no Event of Default is continuing or would result from such distribution, and (ii) the aggregate amount of all distribution or payment in respect of share capital of the Issuer made during the period from the First Issue Date until all Notes have been redeemed does not exceed SEK 30,000,000.~~

“**Permitted Financial Indebtedness**” means

- (a) Financial Indebtedness owed by one Group Company to another Group Company; and
- (a) the Shareholder Debt.

“**Permitted Finance Leases**” means Finance Lease arrangements in the aggregate amount of SEK 75,000,000.

“**Permitted Security**” means;

- (a) any security created under or in connection with the Finance Documents;
- (b) in respect of which prior written consent has been given at a Noteholders’ Meeting;
- (c) any lien arising by operation of law or agreement of similar effect and in the ordinary course of trading and, if arising as a result of any default or omission by

any Group Company, which does not subsist for a period of more than thirty (30) days;

- (d) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group;
- (e) any payment or close out netting or set-off arrangement pursuant to any hedging transactions entered into by a Group Company which constitute Financial Indebtedness which is permitted in accordance with these Terms and Conditions, excluding any security or quasi-security under a credit support arrangement;
- (f) any security or quasi-security over or affecting any asset acquired by, or any asset of any company which becomes, a Group Company after the First Issue Date (where the security or quasi-security is created prior to the date on which that company becomes a Group Company) if (i) the security or quasi-security was not created in contemplation of the acquisition of that asset or company, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset or company and (iii) the security or quasi-security is removed or discharged within three (3) months of the date of acquisition of such asset or that company becoming a Group Company;
- (g) any security or quasi-security 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 trading and on the supplier's standard or usual terms;
- (h) any security or quasi-security (existing as at the date of these Terms and Conditions but, for the avoidance of doubt, excluding the Existing Security which shall be released in connection with the release of funds from the Escrow Account) over assets of any member of the Target Group so long as the security or quasi-security is irrevocably removed or discharged by no later than three (3) months from the First Issue Date;
- (i) any quasi-security arising as a result of a disposal which is permitted to be made under these Terms and Conditions;
- (j) any security or quasi-security arising as a consequence of any Permitted Finance Lease;
- (k) any security in the form of (i) corporate mortgage certificates issued in Group Companies in the amount of SEK 25,325,000 and (ii) real estate mortgage certificates issued in real properties or site leasehold rights owned by the Group Companies in the amount of SEK 11,750,000, in each case securing any Revolving Facilities;
- (l) any security or quasi-security under netting or set-off arrangements under derivative transaction;
- (m) any security or quasi-security arising as a result of legal proceedings discharged within thirty (30) days or otherwise being contested or initiated (as applicable) in good faith;
- (n) any security or quasi-security arising in connection with unpaid taxes by any Group Company where the liability to pay such taxes is being contested in good faith;

- (o) any security or quasi-security over documents of title and goods as part of a documentary credit transaction;
- (p) any security or quasi-security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any Group Company other than any permitted under paragraphs (a) to (o) above) does not exceed SEK 10,000,000 (or its equivalent in other currencies).

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

**“Record Date”** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders’ 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 Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

**“Regulated Market”** means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Relevant Period”** means each period of twelve (12) consecutive calendar months ending on or about the last day of each financial quarter for which a quarterly financial report has been produced.

**“Revolving Facilities”** mean one or more overdraft credit facilities or revolving credit facilities and ancillary facilities thereunder provided to a Group Company in the aggregate amount of SEK 30,000,000.

**“Second Conditions Precedent”** means the documents and evidence set out in Schedule 2 part II (*Conditions Precedent relating to releasing the escrow account pledge agreement*).

**“Secured Obligations”** means all present and future payment obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

**“Secured Parties”** means the Noteholders 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 or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**“Security Documents”** means;

- (a) the Issuer Share Pledge Agreement;
- (b) the Escrow Account Pledge Agreement;
- (c) the share pledge agreements relating to all issued shares in Target;
- (d) Shareholder Loan Pledge Agreement;
- (e) the pledge agreement relating to the rights to payment under the acquisition agreement; and
- (f) the pledge agreement relating to rights under the Intra-group Loan Agreement.

**“Shareholder Debt”** means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer to the Parent [\(including, for the avoidance of doubt, any Capital Injection Shareholder Loans\)](#).

**“Shareholder Loan Agreement”** means the shareholder loan agreement under which the Shareholder Debt [\(except for any Capital Injection Shareholder Loans\)](#) is granted from the Parent to the Issuer.

**“Shareholder Loan Pledge Agreement”** means the pledge agreement relating to the rights under the Shareholder Loan Agreement.

**“Signing”** means the date on which the SPA is signed.

**“SPA Long Stop Date”** means 2 September 2014.

**“STIBOR”** means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ OMX’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no 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 by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (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 Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero, STIBOR will be deemed to be zero

**“Subsequent Conditions Precedent”** means the documents and evidence set out in Schedule 1 part II (*Conditions Precedent relating to Subsequent Notes*).

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

**“Subsidiary”** means in relation to any company or corporation, (a **“Holding Company”**), a company or corporation:

- (a) which is controlled, directly or indirectly, by the Holding Company;
- (b) more than half the issued share capital of which is owned, directly or indirectly, by the Holding Company; or
- (c) which is a subsidiary of another Subsidiary of the Holding Company,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to determine the composition of the majority of its board of directors or equivalent body;

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

**“Target”** means YA-bolagen AB, reg. No. 556801-1778.

**“Target Group”** means Target and its subsidiaries.

**“Total Net Debt”** means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Financial Indebtedness at that time but:

- (a) excluding any Permitted Financial Indebtedness;
- (b) in relation to any bank accounts which are subject to netting arrangements, only the net balance shall be taken into account;
- (c) including, in the case of Finance Leases only, their capitalised value; and
- (d) deducting the aggregate amount of Cash and Cash Equivalent Investments held by any Group Company at that time,

and so that no amount shall be included or excluded more than once.

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

**“Transaction Documents”** mean the Finance Documents, the Shareholder Loan Agreement and the Intra-group Loan Agreement.

**“Transaction Security”** means the Security provided for the Secured Obligations pursuant to the Security Documents (other than the Escrow Account Pledge Agreement).

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

## **1.2 Construction**

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

- (a) **“assets”** includes present and future properties, revenues and rights of every description;

- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) an “enforcement” of a guarantee means making a demand for payment under a guarantee;
- (e) ~~(d)~~an Event of Default is continuing if it has not been remedied or waived;
- (f) ~~(e)~~a provision of law is a reference to that provision as amended or re-enacted; and
- (g) ~~(f)~~a time of day is a reference to Stockholm time.

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

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

1.2.4 No delay or omission of the Agent or of any Noteholder 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 Notes

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The nominal amount of each Initial Note is SEK 1,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

~~2.4 — Provided that (i) no Event of Default is continuing or would result from such issue and (ii) that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes 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 applicable to the Initial Notes shall apply to Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium~~



~~compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 400,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 15.5(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.~~

2.4 From the Effective Date, the Issuer may no longer issue any Subsequent Notes. From such date, all references to Subsequent Notes are obsolete.

2.5 The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 Use of proceeds**

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes (the “**Net Proceeds**”), for (i) the financing of the Acquisition, (ii) the provision of one or more intragroup loans to Target for the purpose of enabling repayment of the Existing Debt, and (iii) general corporate purposes of the Group.

### **4 Conditions for disbursement**

4.1 The Net Proceeds shall, on the First Issue Date, and subject to Clause 4.2, be transferred by the Issuing Agent to the Escrow Account. The Escrow Account shall be pledged in favour of the Secured Parties for the purpose of ensuring that the Second Conditions Precedent have been delivered prior to the release of the Net Proceeds to the Issuer, and upon such fulfilment be released for the purpose specified in Clause 3 (*Use of proceeds*).

4.2 The Issuer shall provide to the Agent;

- (a) prior to the First Issue Date, the First Conditions Precedent;
- (b) prior to the release of the Escrow Account Pledge Agreement, the Second Conditions Precedent;
- (c) on the date of release of the Escrow Account Pledge Agreement in accordance with item (b) above, the Conditions Subsequent; and

- (d) prior to the issuance of any Subsequent Notes, the Subsequent Conditions Precedent.
- 4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.2 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 4.4 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.2 have been satisfied.
- 4.5 Upon fulfilment of the Second Conditions Precedent, the Agent shall in addition to Clause 4.4 issue to the Issuing Bank a notice that the pledge over the Escrow Account has been released and that the Net Proceeds may be used for the purposes specified in Clause 3 (*Use of proceeds*).

## **5 Notes in book-entry form**

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of or in connection with any Noteholders' 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 Notes.
- 5.5 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 Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

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

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 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 6.2 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 Notes**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due 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.
- 7.2 If a Noteholder 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 Noteholder 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 payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8 Interest**

- 8.1 Each Initial Note carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it 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 Notes**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Extended Final Maturity Date with an amount per Note equal to 103.0 per cent. of the Nominal Amount together with accrued but unpaid Interest. If the Extended 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 Notes**

The Issuer may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

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

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full any time from and including the first business day falling thirty six (36) months after the First Issue Date to, ~~but excluding, the~~ and including the Original Final Maturity Date at an amount per Note equal to;

- (a) 104.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting thirty six (36) months after the First Issue Date and ending forty eight (48) months after the First Issue Date;
- (b) 102.5 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting forty eight (48) months after the First Issue Date and ending fifty seven (57) months after the First Issue Date;
- (c) 100.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting fifty seven (57) months after the First Issue Date and ending on the Original Final Maturity Date;

together with accrued but unpaid Interest.

- 9.3.2 The Issuer may redeem all, but not some only, of the outstanding Notes in full any time from (but excluding) the Original Final Maturity Date to and including the Extended Final Maturity Date at an amount per Note equal to;

- (a) 101.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting after the Original Final Maturity Date and ending on 18 June 2020;
- (b) 102.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting after 18 June 2020 and ending on 18 June 2021;
- (c) 103.0 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on 18 June 2021 and ending on the Extended Final Maturity Date;

together with accrued but unpaid Interest.

9.3.3 ~~9.3.2~~ Redemption in accordance with this Clause 9.3~~4~~ *(Voluntary total redemption (call option))* shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders 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 fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

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

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The Issuer shall give notice of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

#### **9.5 Mandatory repurchase due to a Change of Control Event (put option)**

- 9.5.1 Upon a Change of Control Event occurring, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of fifteen (15) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- 9.5.2 The notice from the Issuer pursuant to Clause 11.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder 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 Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant

to Clause 11.1.2. The repurchase date must fall no later than fifteen (15) Business Days after the end of the period referred to in Clause 9.5.1.

9.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. 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.

9.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.

## **9.6 Mandatory total redemption if no Signing or Closing occurs**

9.6.1 If Closing does not occur prior to the SPA Long Stop Date, the Issuer shall redeem all, but not some only, of the Notes at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.6.2 Redemption in accordance with Clause 9.6.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent prior to the date of redemption. Any such notice shall be sent as soon as practically possible and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

## **10 Transaction Security and Capital Injection Guarantee**

10.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and the Parent, as applicable, grants (i) on the First Issue Date, security in the form of the Escrow Account Pledge Agreement, the Issuer Share Pledge Agreement and the Shareholder Loan Pledge Agreement to the Secured Parties, represented by the Agent, and (ii) on the date of the release of the Net Proceeds from the Escrow Account, the other Transaction Security.

10.2 The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. Each of the Issuer and the Parent shall enter into the Security Documents to which it is a party and perfect the Transaction Security in accordance with the Security Documents on or before the First Issue Date and upon release of the Net Proceeds from the Escrow Account, as applicable.

10.3 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer, the Parent, the Capital Injection Guarantor or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Capital Injection Guarantee, creating further Security and/or guarantees for the benefit of the Secured Parties or for the purpose of settling the Noteholders', the Issuer's ~~or~~, the Parent's or the Capital Injection Guarantor's rights to the Transaction Security and/or under the Capital Injection Guarantee, in each case in accordance with the terms of the Finance Documents.

10.4      The Agent shall, upon the Issuer's written request and expense, promptly release the Capital Injection Guarantor from its obligations under the Capital Injection Guarantee when all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full.

## **11 Information to Noteholders**

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

11.1.1      The Issuer will make the following information available to the Noteholders by way of publishing the information on the website of the Group, and, after the Notes have been listed in accordance with Clause 12.10 (*Admission to trading*), the following information shall be made available by way of press release:

- (a)      as soon as the same become available, but in any event within 120 days after the end of each Financial Year, its audited consolidated financial statements for that financial year;
- (b)      as soon as the same become available, but in any event within 60 days after the end of each quarter of its Financial Year, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period;
- (c)      as soon as practicable upon becoming aware of an acquisition or disposal of Notes by a Group Company, an Affiliate or an Investor Affiliate, information regarding the aggregate Nominal Amount held by Group Companies, an Affiliate or an Investor Affiliate, or the amount of Notes cancelled by the Issuer;
- (d)      any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

11.1.2      The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice 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.

11.1.3      When the financial statements and other information are made available to the Noteholders pursuant to Clause 11.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a Compliance Certificate.

11.1.4      From and including the Relevant Period ending 30 June 2021, any Compliance Certificate delivered to the Agent in connection with a financial statement being made available shall include figures evidencing compliance with the Financial Covenant.

11.1.5      ~~11.1.4~~ Upon a Clean Down and upon an Incurrence Test Date, the Issuer shall submit to the Agent a Compliance Certificate.

11.1.6      ~~11.1.5~~ The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an

Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. 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.

## **11.2 Information from the Agent**

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

## **11.3 Publication of Finance Documents**

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

11.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## **12 General Undertakings**

### **12.1 Disposals**

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or some of the shares in a Group Company or of all or a substantial part of its assets or operations to any party not being the Issuer or a wholly owned Subsidiary of the Issuer.

### **12.2 Acquisitions**

The Issuer shall not, and shall ensure that no other Group Company will, acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them) or incorporate a company, unless the Agent has received to its satisfaction a Compliance Certificate evidencing that the Incurrence Test is met on the Incurrence Test Date.

### **12.3 Financial indebtedness**

12.3.1 The Issuer may only incur new Financial Indebtedness, if it is Permitted Financial Indebtedness, or if the Agent has received to its satisfaction a Compliance Certificate evidencing that the Incurrence Test is met on the Incurrence Test Date.



- 12.3.2 The Issuer shall procure that no Group Company (other than the Issuer) incurs any new Financial Indebtedness, other than (i) the Revolving Facilities and the Permitted Finance Leases and (ii) Financial Indebtedness owed by one Group Company to another Group Company.

## **12.4 Negative pledge**

The Issuer shall not, and shall ensure that no other Group Company will, create or permit to subsist any Security over any of its assets other than any Permitted Security.

## **12.5 Dividends**

The Issuer shall not:

- (a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in Cash or in kind) on or in respect of its share capital (or any class of its share capital);
- (b) pay or allow any Group Company to pay any management, advisory or other fee to or to the order of any of the shareholders of the Issuer; or
- (c) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;

~~other than by way of a Permitted Distribution.~~

## **12.6 Shareholder loans**

- 12.6.1 The Issuer may not, and the Issuer shall procure that no other Group Company, incur any Financial Indebtedness from any Investor Affiliate.

- 12.6.2 Clause 12.6.1 does not apply to any Financial Indebtedness incurred by the Issuer from the Parent (a) under any Capital Injection Shareholder Loan or (b) otherwise, provided that (i) the interest relating to such Financial Indebtedness is capitalised (PIK), and (ii) such Financial Indebtedness becomes subject to the Transaction Security.

## **12.7 Merger**

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless between Group Companies and provided that the Issuer is the surviving entity.

## **12.8 Change of Business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the date of these Terms and Conditions.

## **12.9 Incurrence Test**

- 12.9.1 Leverage shall on each Incurrence Test Date be less than 4.0 for the period starting on the First Issue Date and ending on 30 June 2015, and thereafter less than 3.0 until the Redemption Date.

- 12.9.2 Interest Cover shall on each Incurrence Test Date be more than 2.5.
- 12.9.3 The Incurrence Test shall be measured on each Incurrence Test Date for the applicable Relevant Period in accordance with the Calculation Principles.

## **12.10 Financial Covenant**

12.10.1 The Issuer shall ensure that the reported EBITDA shall be at least:

- (a) SEK 79,000,000 for the Relevant Period ending on 30 June 2021;
- (b) SEK 81,000,000 for the Relevant Period ending on 30 September 2021;
- (c) SEK 83,000,000 for the Relevant Period ending on 31 December 2021; and
- (d) SEK 85,000,000 for the Relevant Period ending on 31 March 2022.

12.10.2 For the avoidance of doubt, the first testing date in respect of the Financial Covenant shall be 30 June 2021.

## **12.11 Capital Injections**

12.11.1 The Issuer shall procure that, within thirty (30) Business Days from the Effective Date, the Parent shall make a capital injection to the Issuer in an amount of SEK 40,000,000, either by way of an injection of unrestricted equity in Cash or by way of providing a Capital Injection Shareholder Loan (the “Initial Capital Injection”). The Issuer undertakes to apply such Initial Capital Injection *firstly* towards a Clean Down and *secondly* for general corporate purposes of the Group.

12.11.2 The Issuer shall procure that, if on or after 30 June or 31 December each year it is established that no Clean Down has occurred in respect of the past half calendar year (a “Failed Clean Down Period”), one or several capital injections by way of either unrestricted equity in Cash or a Capital Injection Shareholder Loan shall be made to the Issuer from a person not being a Group Company (the “Further Capital Injections”). Such Further Capital Injection(s) shall be made within fifteen (15) Business Days from the end of the Failed Clean Down Period. The Further Capital Injections shall be paid in increments of SEK 5,000,000, to ensure that the amount outstanding under the Revolving Facilities, less cash and cash equivalents of the Group, amounts to zero (0) or less during a period of five (5) Business Days following such Further Capital Injection(s). The Further Capital Injections shall in aggregate amount to up to SEK 30,000,000. A Further Capital Injection shall (although made during the half calendar year succeeding the Failed Clean Down Period) be deemed as a Clean Down in respect of the Failed Clean Down Period and shall, for the avoidance of doubt, not affect the Issuer’s obligation to make a Clean Down or receiving additional Further Capital Injections during the succeeding half calendar year.

12.11.3 The Capital Injection Guarantor shall unconditionally and irrevocably guarantee (Sw. *proprieborgen*) to the Agent and each Holder (as represented by the Agent) as for its own debts (Sw. *såsom för egen skuld*) the full and punctual fulfilment by the Issuer of the Guaranteed Obligations in accordance with a guarantee issued by the Capital Injection Guarantor in favour of the Agent and each Holder (as represented by the Agent) (the “Capital Injection Guarantee”). The obligations and liabilities of the

guarantee issued by the Capital Injection Guarantor under the Capital Injection Guarantee shall be limited if required (but only if and to the extent required) under the laws of Guernsey, being the jurisdiction in which the Capital Injection Guarantor is incorporated.

## **12.12 ~~12.10~~ Admission to trading**

**12.12.1 ~~12.10.1~~** The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Regulated Market of NASDAQ OMX Stockholm within twelve (12) months after the First Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

**12.12.2 ~~12.10.2~~** Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

## **12.13 ~~12.11~~ Undertakings relating to the Agency Agreement**

**12.13.1 ~~12.11.1~~** The Issuer shall, in accordance with the Agency Agreement:

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

**12.13.2 ~~12.11.2~~** The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

## **13 Events of Default**

Each of the events or circumstances set out in Clauses 13.1 to 13.9 is an Event of Default.

### **13.1 Non-Payment**

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

- (a) is caused by technical or administrative error; and
- (b) is remedied within three (3) Business Days from the due date.

## **13.2 Other Obligations**

The Issuer or any other person (other than the Agent) does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph 13.1 above), unless the non-compliance:

- (a) is capable of remedy (for this purpose, a breach of Clause 4.2(c) shall not be capable of remedy); and
- (b) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

## **13.3 Initial Capital Injection failure**

The Initial Capital Injection has not been made within thirty (30) Business Days from the Effective Date.

## **13.4 Capital Injection Guarantee failure**

The Capital Injection Guarantee has not been duly executed within thirty (30) Business Days from the Effective Date.

## **13.5 ~~13.3~~ Misrepresentation**

Any representation or statement made or deemed to be made by a Group Company in the Finance Documents or any other document delivered by or on behalf of any Group Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

## **13.6 ~~13.4~~ Impossibility or illegality**

It is or becomes impossible or unlawful for any Group Company to perform any of its obligations under the Finance Documents or any Finance Documents is not, or ceases to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.

## **13.7 ~~13.5~~ Insolvency**

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

## **13.8 ~~13.6~~ Insolvency Proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group;
- (b) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;

- (c) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets; or
  - (d) enforcement of any Security over any assets of any member of the Group,
- or any analogous procedure or step is taken in any jurisdiction, other than any legal proceedings which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen (14) days of commencement.

### 13.9 ~~13.7~~ **Creditors' Process**

Any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an aggregate value of SEK 10,000,000 and is not discharged within forty five (45) days.

### 13.10 ~~13.8~~ **Cross Default**

- (a) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or
- (b) any creditor of a Group Company declares any Financial Indebtedness of a Group Company due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph ~~13.8~~ 13.10 if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 10,000,000.

### 13.11 ~~13.9~~ **Cessation of Business**

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, ~~except as a result of a Permitted Disposal.~~

### 13.12 ~~13.10~~ **Acceleration of the Notes**

13.12.1 ~~13.10.1~~ Upon the occurrence of an Event of Default, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause ~~13.10.4~~ 13.12.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes 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.

13.12.2 ~~13.10.2~~ The Agent may not accelerate the Notes in accordance with Clause 13.10.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

[13.12.3](#) ~~13.10.3~~ The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

[13.12.4](#) ~~13.10.4~~ If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes 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 Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

[13.12.5](#) ~~13.10.5~~ If the right to accelerate the Notes 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.

[13.12.6](#) ~~13.10.6~~ In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount.

## **14 Distribution of Proceeds**

14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security [and/or the Capital Injection Guarantee](#) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security ~~-, the enforcement of the~~ [Capital Injection Guarantee](#) or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.13;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and

- (d) *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 (a) to (d) above shall be paid to the Issuer.

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security [and/or the Capital Injection Guarantee](#) constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## **15 Decisions by Noteholders**

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders 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.
- 15.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:



- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.

15.5 The following matters shall require the consent of Noteholders representing at least ~~eighty-two thirds (802/3)~~ per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 400,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a release of the Transaction Security and/or of the Capital Injection Guarantee, except in accordance with the terms of the ~~Security-Finance~~ Documents;
- (i) a mandatory exchange of the Notes for other securities;
- (j) any action which requires consent from the Noteholders under the definitions of Cash Equivalent Investments and Permitted Security;
- (k) changes to Clause 12 (*General undertakings*); and
- (l) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment



permitted pursuant to Clause 18.1(a) or (b)), an acceleration of the Notes, or the enforcement of any Transaction Security [and/or the Capital Injection Guarantee](#).

- 15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 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.
- 15.10 A Noteholder holding more than one Note 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.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' 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.
- 15.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.14 If a decision shall be taken by the Noteholders 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 Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy

of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.

- 15.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16 Noteholders' Meeting**

- 16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 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 Noteholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17 Written Procedure**

- 17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(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 Noteholder on the Business Day prior to the date on which the communication is sent.
- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.

- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (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 Noteholder 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 Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18 Amendments and Waivers**

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders 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.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **19 Appointment and Replacement of the Agent**

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration

proceedings relating to the Notes held by such Noteholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security [and/or the Capital Injection Guarantee](#). By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

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

## **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security [and/or the Capital Injection Guarantee](#) on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.
- 19.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external

experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security and/or the Capital Injection Guarantee which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).

- 19.2.6 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.8 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.7.

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

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13 (*Acceleration of the Notes*).

- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

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

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders 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.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and

obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **20 Appointment and Replacement of the Issuing Agent**

- 20.1 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 Notes.
- 20.2 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.

## **21 No Direct Actions by Noteholders**

- 21.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security [and/or the Capital Injection Guarantee](#) to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Noteholders 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 Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.8 before a Noteholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event*) or other payments which are due by the Issuer to some but not all Noteholders.

## **22 Prescription**

- 22.1 The right to receive repayment of the principal of the Notes 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 Noteholders' right to receive payment has been prescribed and has become void.

- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, 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.

## **23 Notices and Press releases**

### **23.1 Notices**

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email to by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the website of the Group and the Agent.

- 23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 23.1.1.

- 23.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

### **23.2 Press releases**

- 23.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 11.1.2, ~~13.10.3~~ 13.12.3, 15.15, 16.1, 17.1 and 18.3 shall also be published on the website of the Group, and as from the date when the Notes have been listed in



accordance with Clause 12.10 (*Admission to trading*) by way of press release by the Issuer or the Agent, as applicable.

- 23.2.2 In addition to Clause 23.2.1, if, after the Notes have been listed in accordance with Clause 12.10 (*Admission to trading*), any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

## **24 Force Majeure and Limitation of Liability**

- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **25 Governing Law and Jurisdiction**

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

We hereby certify that the above [amended and restated](#) terms and conditions are binding upon ourselves.

[As amended and restated on 9 July 2014 and \[•\] 2019](#)

Place:

Date:

**YA Holding AB (publ)**  
**as Issuer**

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Name:

We hereby undertake to act in accordance with the above [amended and restated](#) terms and conditions to the extent they refer to us.

[As amended and restated on 9 July 2014 and \[•\] 2019](#)

Place:

Date:

**Nordic Trustee & Agency AB (publ)**  
**as Agent**

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Name:

## Schedule 1

### Form of Compliance Certificate

To: Nordic Trustee & Agency AB (publ) as Agent  
From: YA Holding AB (publ)  
Dated: [●]

Dear ~~Sirs~~Sir or Madam,

#### **YA Holding AB (publ) – Terms and conditions for YA Holding AB (publ) with respect to the up to SEK 400,000,000 senior secured floating rate notes (the "Terms and Conditions")**

(1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

(2) ~~¶~~We confirm that:

(a) No Event of Default is continuing. [If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]

(b) [The Interest Coverage on the Incurrence Test Date [date] for the Relevant Period ending on [date], and as adjusted in accordance with the Calculation Principles, was [●]; and

(c) ~~(e)~~The Leverage on the Incurrence Test Date [date] for the Relevant Period ending on [date], and as adjusted in accordance with the Calculation Principles, was [●].]

(d) [The Financial Covenant is met.]

(e) [The Clean Down for the period [period] has been satisfied.]

(3) [We set out below calculations establishing the figures in paragraph (2):

[●]]

~~(2)We confirm that no Event of Default is continuing. [If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]~~

(4) ~~(3)~~Attached hereto you will find copies of any notices sent to the Regulated Market.

*[Paragraphs 2 and 3 above shall be included herein if the Compliance Certificate is delivered in connection with an Incurrence Test, and Paragraphs 4 and 5 shall be included herein upon delivery of any Compliance Certificate by the Issuer.]*

## **Schedule 2**

### **Conditions Precedent**

#### **Part I**

#### **Conditions Precedent relating to Initial Notes**

##### **1 Corporate Documents**

- (a) A copy of the constitutional documents of the Parent and the Issuer.
- (b) A copy of a resolution of the board of directors of each company set out in (a) above:
  - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Transaction Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Transaction Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Transaction Documents and related documents.
- (d) A certificate of an authorised signatory of the Parent and the Issuer certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect.

##### **2 Agreements**

The following documents duly executed by all the parties thereto:

- (a) The Terms and Conditions;
- (b) The Agency Agreement; and
- (c) The Shareholder Loan Agreement (if any).

##### **3 Transaction Security**

- (a) The Shareholder Loan Pledge Agreement, the Issuer Share Pledge Agreement, and the Escrow Account Pledge Agreement duly executed by the relevant pledgors.

- (b) A copy of all notices and acknowledgments required to be sent under the security documents under item (a) duly executed by the relevant parties.
- (c) The original copy of all share certificates in respect of any and all shares subject to the Issuer Share Pledge Agreement transferred in blank.
- (d) Copy of the share register of the Issuer showing that the Agent, acting on behalf of the Noteholders, has been registered as pledgee.
- (e) Evidence that all other actions required under each of the documents under item (a) in order to perfect the security interest thereunder have been fulfilled.

#### **4 Legal Opinion**

A legal opinion of Advokatfirman Vinge KB, as to Swedish law substantially in the form distributed to the Agent and the Bookrunner prior to the First Issue Date.

### **Part II**

#### **Conditions Precedent relating to releasing the escrow account pledge agreement**

- (a) All competition clearances necessary in connection with the Acquisition have been obtained.
- (b) All conditions precedent under the SPA have been satisfied or waived, other than the financing of the Acquisition in accordance with these Terms and Conditions.
- (c) Confirmation from the Issuer that Closing will occur immediately after release of the Escrow Account Pledge Agreement.
- (d) The Issuer has issued to the Issuing Agent an irrevocable payment instruction, stating that payment shall be made in accordance with the Funds Flow Statement.
- (e) Evidence that the fees, costs and expenses then due from the Issuer have been paid or will be paid by the date of Closing or as otherwise agreed.

### **Part III**

#### **Conditions Subsequent relating to Initial Notes**

- (a) Evidence that the Existing Facilities have been cancelled and repaid in full and that the Existing Security has been released.
- (b) Evidence that all shares in Target have been transferred to the Issuer.
- (c) The Intra-group Loan Agreement.
- (d) The Security Documents (other than the Security Documents executed as First Conditions Precedent) duly executed by the relevant pledgors.

- (e) A copy of all notices and acknowledgments required to be sent under the Security Documents (other than the Security Documents executed as First Conditions Precedent) duly executed by the relevant parties.
- (f) The original copy of all share certificates in respect of all shares subject to the share pledge agreement relating to the share in the Target transferred in blank.
- (g) Copy of the share register of the Target showing that the Agent, acting on behalf of the Noteholders, has been registered as pledgee.
- (h) Evidence that all other actions required under each of the Security Documents (other than the Security Documents executed as First Conditions Precedent) in order to perfect the security interest thereunder have been fulfilled.
- (i) A legal opinion of Advokatfirman Vinge KB, as to Swedish law substantially in the form distributed to the Agent and the Bookrunner.
- (j) A copy of any other authorisation or other document, opinion or assurance which the Bookrunner and/or Agent notifies the Issuer that it reasonably considers necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

## **Part IV**

### **Conditions Precedent relating to Subsequent Notes**

- (a) To the extent not covered by the resolutions from the board of directors under Part I, a copy of a resolution of the board of directors of the Parent, the Issuer and any Group Company to the extent applicable:
  - (i) approving the terms of, and the transactions contemplated by, the Subsequent Notes and resolving that it execute, deliver and perform any documents necessary in connection with the issue of the Subsequent Notes;
  - (ii) authorising a specified person or persons to execute any such documents; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Subsequent Notes.
- (b) A Compliance Certificate; and
- (c) A copy of any other authorisation or other document, opinion or assurance which the Bookrunner and/or Agent notifies the Issuer that it reasonably considers necessary or desirable in connection with the issue of the Subsequent Notes.