

# **Mekonomen Group**

**MEKONOMEN AKTIEBOLAG (PUBL)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF**

**SEK 1,250,000,000**

**SENIOR UNSECURED FLOATING RATE BONDS DUE 2026**

**ISIN: SE0015660022**

**12 April 2021**

## Important Information

This prospectus (the “**Prospectus**”) has been prepared by Mekonomen Aktiebolag (publ), a public limited liability company incorporated in Sweden, having its headquarters located at the address Solnavägen 4, 104 32 Stockholm, Sweden, with corporate registration no. 556392-1971 (the “**Company**”, “**Mekonomen**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, “**Mekonomen Group**” or the “**Group**”), in relation to the application for admission to trading of the Issuer’s SEK 1,250,000,000 senior unsecured floating rate bonds with ISIN: SE0015660022 (the “**Bonds**”), issued on 18 March 2021 (the “**Issue Date**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”), on the corporate bond list of Nasdaq Stockholm (“**Nasdaq Stockholm**”). Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus. Skandinaviska Enskilda Banken AB (publ) has acted as issuing agent in connection with the issue of the Bonds (the “**Issuing Agent**”) and Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) have acted as joint bookrunners (the “**Joint Bookrunners**”) in connection with the issue of the Bonds.

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

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

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

The information in this Prospectus is considered to be accurate, although not complete, only as of the day of this Prospectus. It is not implied that the information has been or will be accurate at any other time. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publicly announce updates, revisions or amendments regarding the information in this Prospectus.

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

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

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

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## **RISK FACTORS**

*In this section, risk factors which are specific to Mekonomen Group and the Bonds, and which Mekonomen Group deems to be material for making a well-grounded decision to invest in the Bonds, are presented. Mekonomen Group's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact on Mekonomen Group and its financial position. The description of each risk factor below is based on information available and estimates made on the date of this Prospectus.*

*The risk factors are presented in categories where the most material risk factor in a category is presented first under such category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. The materiality of each risk factor with respect to the probability and expected magnitude of its negative impact if it were to materialise, is indicated by using a scale of low, medium or high, as assessed by Mekonomen Group. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

### **Risk factors specific and material to the Company and Mekonomen Group**

#### **Risks relating to Mekonomen Group's Business Activities and Industry**

Any damage to Mekonomen Group's central warehouses, regional warehouses or branch warehouses may impair Mekonomen Group's ability to effectively conduct its business, increase its costs and damage Mekonomen Group's reputation

Mekonomen Group currently has central, regional and branches. Damage to any of these facilities, in particular the central warehouses, and the products in stock due to, for example, fire, sabotage, large-scale theft, natural disasters or similar accidents or prolonged technical disruptions in its automated central warehouse in Sweden, could have consequences for Mekonomen Group's ability to fulfil its customer obligations and entail considerable losses for Mekonomen Group. Damage to products in stock could lead to impairment losses for Mekonomen Group and cause delivery disruptions. In turn, this may cause customers to instead choose a competitor to Mekonomen Group, demand financial compensation from Mekonomen Group and it may also cause damage to Mekonomen Group's reputation. If these risks were to materialize, it could adversely impact Mekonomen Group's earnings, and, consequently, its financial position.

*Risk level: High*

Mekonomen Group relies on its IT systems, and any disruptions in such systems or a failure by Mekonomen Group to adapt to technological developments may damage the Group's business, reputation and increase its costs

Mekonomen Group is dependent on information and IT systems to support its operations. Mekonomen Group is particularly dependent on its IT systems in order to purchase, sell and deliver products and invoices to its customers and for its accounts, financial reporting and stock management. There is a risk, that these systems will be disrupted by, for example, software failures, computer viruses, cyber-attacks, ransomware, sabotage and physical damage, and the high pace of change in the overall IT environment introduces increased risks of data breaches. This was the case in 2020 when the MECA/Mekonomen business area was impacted by a data breach, which caused comprehensive disruptions to the IT systems in the business area in Sweden and Norway. In addition, Mekonomen Group's IT systems and related infrastructure may be breached due to employee error, malfeasance or affected by other disruptions, including as a result of natural disasters or

telecommunication breakdowns or other reasons beyond Mekonomen Group's control. Furthermore, Mekonomen Group periodically updates and replaces its IT-systems, for instance, the Group recently exchanged its enterprise resource planning systems in Mekonomen Norway and Sweden. Delays and difficulties in implementation of such new IT-systems may arise due to system errors or other reasons, which could cause disruptions to operations, including having adverse impact on customer satisfaction.

Significant disruptions or failures in Mekonomen Group's IT infrastructure, such as operational stoppages in key functions regarding the Group's order system and stock management due to incidents mentioned above, therefore constitutes a risk that would severely impair the performance of Mekonomen Group and the services offered to its customers and may lead to a worsened reputation for Mekonomen Group among its customers. Each extended outage, functionality shortcoming or delay presents a significant risk to Mekonomen Group's operations.

*Risk level: High*

Mekonomen Group may be adversely impacted by its suppliers being unable to deliver certain products as agreed or the delivered products being of substandard quality, or by the suppliers encountering financial, legal or operational problems, or rising prices

Mekonomen Group offers a large number of products. It warehouses more than 100,000 different kinds of articles in various warehouses operated by Mekonomen Group and has access to more than one million articles available for order. Mekonomen Group is thus to a high extent dependent on a reliable and sufficient supply of high-quality parts and components, including steel-based components, drive units, electronics and cables, in order to sell and deliver its products to its customers in a timely manner. Mekonomen Group is hereby reliant on deliveries from its suppliers in accordance with agreed requirements, such as quantity, quality and time of deliveries. Suppliers encountering financial, legal or operating problems, rising prices, inability to perform agreed deliveries, or delivered products failing to be tested or inspected properly and/or other quality problems or failures by Mekonomen Group in monitoring product quality and content may disrupt the Group's ability to deliver services and high-quality products to its customers, which in turn may cause reduced sales and a decline in customer confidence. Furthermore, in the event that Mekonomen Group needs to contract other suppliers of products on short notice, this may cause additional costs, transition problems and require renewed tests and quality inspections.

*Risk level: Medium*

Mekonomen Group's business is to a large extent dependent on Mekonomen Group's ability to attract and retain skilled employees and its business may be seriously disrupted if Mekonomen Group were to lose senior executives or other key employees

Mekonomen Group's success is largely due to its ability to identify, recruit, employ and retain skilled and experienced senior executives and other key employees. Loss of or failure in recruiting and keeping skilled key employees may result in a loss of important skills and may significantly delay or obstruct the development and implementation of Mekonomen Group's business plan. In particular, Mekonomen Group may be adversely affected if — due to the prevailing shortage of automotive technicians in the geographical markets where the Group operates — the Group's workshop customers have difficulty in finding and attracting skilled automotive technicians who possess relevant training and experience and which skills are needed in order to meet the demand for servicing due to, e.g. new technologies. This affects both operations in Mekonomen Group's own workshops as well as the Group's sales to other affiliated workshops and other workshop customers who are not affiliated to any of the Group's concepts. The shortage of automotive technicians with relevant training and

experience may in the long term constitute a factor that limits the possibilities of continued growth for Mekonomen Group and consequently reduces profitability through higher personnel costs if the market for automotive technicians becomes even more competitive. There is a shortage in every market, but the shortage is the worst in the Swedish market.

Any failure to retain and recruit key employees with specialized knowledge relating to Mekonomen Group's business operations and industry, including automotive technicians for its workshops, for instance due to any such employee resigning in order to work for a competitor and/or the Group failing to recruit such qualified persons in the future, at all or at reasonable compensation levels, may have a negative impact on Mekonomen Group's costs and therefore as a result, affect Mekonomen Group's earnings and financial position.

*Risk level: Medium*

Mekonomen Group may experience difficulties in integrating acquired businesses, or fail to make new strategic acquisitions in the future

As part of Mekonomen Group's growth strategy, the Group carries out acquisitions of, or investments in, companies that complement the Group's current service offering, improve its market coverage, technical ability or capacity, or offer growth opportunities. For instance, during the financial year ended 31 December 2020, Mekonomen Group acquired 51 per cent of the shares in Tores Auto AS, which operates seven workshops in Norway, and the Group regularly carries out smaller acquisitions of, for example, workshops. During 2020, Mekonomen Group carried out several acquisitions, including five stores in Sweden. Such corporate transactions may involve obligations and risks related to their nature or value. In each situation where Mekonomen Group decides to pursue such acquisitions, there is a risk that the Group will not be able to finalize such acquisitions within the required timeframe, at the desired price and/or at commercial conditions, or at all.

Future acquisition activities may present certain financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions, which may not achieve sales levels and profitability that justify the investments made. In addition, companies involved in transactions are generally subject to risk of employees, including senior management and other key employees, leaving the acquired or acquiring company. The failure to retain the services of the acquired company's and/or workshop's key personnel could jeopardize the rationale of the acquisition, entailing additional costs without corresponding revenue or growth. Future acquisitions could also result in the incurrence of debt, contingent liabilities, amortization costs, impairment of goodwill or restructuring charges.

*Risk level: Medium*

Tough competition, changes in the competitive landscape or excess supply of competing services in the markets in which Mekonomen Group operates may diminish the Group's sales and/or market shares, and/or put pressure on selling prices

Mekonomen Group operates in a competitive market and faces current and prospective competition within all of the Group's business segments and geographic markets. The competition is particularly intense for aftermarket car parts sales to workshops. Mekonomen Group's largest competitors with respect to the brand-independent aftermarket of parts carry, similarly to the Group, a varied assortment of parts covering most car brands. In addition, a number of original equipment manufacturers, smaller players and digital players, also compete in the market, as well as new players trying to enter the market with new disruptive business models. In terms of accessories, Mekonomen Group competes with a large number of players, including the retail trade,

petrol stations, the convenience-goods trade and online players. Significantly increased competition from one or more competitors within any of Mekonomen Group's business segments and geographic markets may entail a risk of reduced market shares for Mekonomen Group. If Mekonomen Group is unsuccessful in maintaining a competitive position as regards quality, product price, delivery certainty, geographic spread, brand recognition, customer service and a broad product range, and/or if it fails to adapt to changed market conditions, for instance in relation to increased demand for parts and maintenance of electric vehicles or new disruptive business models, or otherwise is unsuccessful in competing with its competitors, this may have an adverse impact on Mekonomen Group's earnings, as a result of reduced demand for Mekonomen Group's services and products and consequently reduced sales.

*Risk level: Medium*

Mekonomen Group is dependent on its ability to purchase the right products, adapt to altered demand on the market and develop its product range and its services

Mekonomen Group's long-term success depends, among other things, on Mekonomen Group's ability to adapt to its customers' needs, changed industry requirements, and the introduction of new attractive products and services, while at the same time retaining competitive pricing. In order to maintain its competitiveness, Mekonomen Group must foresee its customers' needs and develop products and services which are in demand by its customers. Furthermore, the markets in which Mekonomen Group operate are largely dependent on the number of cars in the car fleets and the number of kilometers the cars are driven. Lower car production or a negative trend in the number of kilometers cars are driven may have a material adverse impact on Mekonomen Group's business, earnings and financial position. In addition, the automotive industry is facing major changes due to increased digitalization and technical complexity of new cars, increased demand for fossil-free cars and subsequent changes in consumer behavior. Fossil-free cars, for example, are believed to bring lower servicing turnover than cars than run on fossil fuels. These factors directly affect the aftermarket for car parts and services in which Mekonomen Group operates and Mekonomen Group.

In recent years, several governmental initiatives have been enacted in order to stimulate the transition from fossil to fossil-free engine alternatives and, consequently, the number of electric and hybrid cars in the geographic markets in which Mekonomen Group operates is increasing. There has also been an emergence of carsharing business models, such as carpools, and customers are increasingly expecting that services can be handled entirely through digital means, both of which are creating new customer needs. The transition to new engine alternatives and new customer behaviors entail that Mekonomen Group needs to gradually adapt its product and service offerings to meet altering customer needs. In order to achieve this, Mekonomen Group may also need to increase its investments within, for example, new technologies and IT-systems, training and marketing in order to have the possibility to adapt the service and product offering accordingly.

A failure to provide commercially successful services and products that continuously meet customer needs, particularly in relation to the increasing digitalization and technical complexity of vehicles, including increased use of new fossil-free propulsion technologies, may have an adverse impact on Mekonomen Group's earnings, as a result of reduced demand for Mekonomen Group's services and products and consequently reduced sales.

*Risk level: Medium*

Mekonomen Group's business and sales may be adversely affected by pandemics such as Covid-19

Pandemics, such as the outbreak of the novel coronavirus disease, Covid-19, can have significant consequences for Mekonomen Group's operations. For instance, the outbreak of Covid-19 has had an adverse impact on the global and local economies in which Mekonomen Group operates and has, consequently, also had an adverse

impact on the Group's business and operations. Mekonomen Group has seen some declines in the demand for its services in especially Denmark, Poland and Sweden as a result of the outbreak and Mekonomen Group may in the future be even more adversely affected by Covid-19, or other pandemics, e.g. through restrictions from authorities causing Mekonomen Group difficulties conducting its operations. Mekonomen Group may also be affected by the impact pandemics, such as Covid-19, may have on Mekonomen Group's customers, business partners and counterparties, as a result of, inter alia, a decline in economic activity, restrictions on travel, and increased unemployment.

Furthermore, the Covid-19 pandemic has led to behavioural changes, such as more online interaction, among both store and workshop customers, which if continued in the long term could result in disruptive changes, further altering the characteristics of the markets in which Mekonomen Group operates. The operational risks for Mekonomen Group should Covid-19 continue over a prolonged period of time include continued risk in terms of employee health and availability, disruptions of the Group's IT environments adversely affecting Mekonomen Group's ability to serve customers online, as well as, to a certain extent, the Group's supply of products.

If the pandemic continues over a prolonged period of time with new restrictions being imposed, or further diseases emerge that give rise to similar effects, this may have a further adverse impact on Mekonomen Group's business, and its ability to maintain its profitability and results.

*Risk level: Medium*

Mekonomen Group is exposed to the effects of significant economic disruptions and, to a lesser extent, general market conditions and the state of the economy, as well as the political landscape in the geographical markets in which it operates

Demand for Mekonomen Group's services and products are influenced by fluctuations in the business cycle. The patterns of demand and the market trends are affected by several general factors outside Mekonomen Group's control, such as the labour market situation, stock market performance, governmental regulations and interest rates. Mekonomen Group conducts its business in Denmark, Finland, Norway, Poland and Sweden, as well as through export to Germany. A deterioration in economic conditions globally, and/or in each specific geographic market where Mekonomen Group operates, may reduce demand for Mekonomen Group's products and services as customers typically reduce their expenditure levels in times of recession or other economic uncertainty. Denmark, Norway and Sweden are Mekonomen Group's main markets where 82 per cent of the net sales were generated during the financial year 2020. Mekonomen Group is thus particularly sensitive to deteriorations in the Nordic region.

In addition, Mekonomen Group may be adversely impacted by political decisions, in any of the geographical markets in which the Group operates, particularly decisions regarding the introduction of environmental zones or other decisions which are aimed at reducing car sales and use, such as restrictions regarding sales of cars with combustion engines and higher energy prices, as well as general decisions which regulate the aftermarket for car parts and car services which Mekonomen Group offers. Mekonomen Group's business is also subject to a number of other risks and uncertainties due to the fact that operations are conducted in a number of different countries. These include local political instability or the introduction of import, export, investment or currency restrictions.

Long periods of weak economic growth, high unemployment and other negative economic trends in Europe, for instance due to the ongoing Covid-19 pandemic, or other general economic and political uncertainty, as well as political decisions affecting the sale of cars and/or affecting the aftermarket for car parts and related

services, in the geographic markets in which Mekonomen Group operates, may have an adverse impact on Mekonomen Group's sales and consequently its earnings and financial position.

*Risk level: Low*

### **Legal and regulatory risks**

#### Mekonomen Group's market is subject to laws and regulations which may affect the Group's business

Mekonomen Group's operations are subject to extensive regulations, specifically the parts of Mekonomen Group's activities which can have an environmental impact, primarily through sales of chemical products, handling of chemicals, flammable substances, hazardous waste and car washing. For instance, reporting requirements relating to chemical products to national and/or EU authorities, ensuring correct information on chemical products and self-control processes pursuant to applicable national and European environmental and chemicals legislation. There is a risk that Mekonomen Group's compliance and governance processes may not prevent breaches of applicable laws and regulations in the environmental and chemicals field.

There is a risk that more stringent environmental requirements relating to the above-mentioned activities, or other activities, may come into force in the future, which could require Mekonomen Group to change its processes to adhere to such altered requirements, which in turn could entail significantly increased administrative costs, consequently, adversely affecting Mekonomen Group's earnings. Such a development may ultimately also obstruct or limit Mekonomen Group's ability to provide services involving the handling of chemicals. For instance, the so-called European Green Deal initiative by the European Commission, with its action plan and new policies aiming to reduce the environmental impact of businesses within the EU, may, inter alia, entail additional administrative costs and require further administrative resources in order to fulfill new reporting requirements as well as a need for more detailed and verified data.

Furthermore, there is a risk that Mekonomen Group's operations are negatively affected by changes in regulations, taxes, custom duties, tariffs, charges and subsidies, price and currency controls, and public law regulations and restrictions in the countries where Mekonomen Group operates. For instance, the European Commission Motor Vehicle Block Exemption Regulation (the "**Block Exemption**"), which gives European vehicle companies and dealers immunity from a number of antitrust restrictions on distribution and servicing agreements, is set to expire in 2023 and the European Commission has launched a review and evaluation process in order to decide on whether to keep it, amend it or let it expire. If the Block Exemption were to expire or change this could have an adverse effect on Mekonomen Group's operations.

*Risk level: Medium*

#### Risks relating to failure to comply with the General Data Protection Regulation

Mekonomen Group processes a large volume of personal data, including both customer data and data of its approximately 4,900 employees. Mekonomen Group is processing, among other things, sensitive information concerning bank accounts, agreements and addresses of its customers. The customers would suffer if such information would fall into the wrong hands due to failures or breaches of the IT systems utilised by Mekonomen Group to process personal data or due to unsatisfactory data protection practices. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the "**GDPR**") has been applicable in all EU member states. The GDPR includes requirements for the handling of personal data. There is a risk that the measures taken by Mekonomen Group to maintain and process personal data of its customers

and employees in compliance with the GDPR could prove to be insufficient or that, for instance, a misinterpretation of the GDPR would lead to that Mekonomen Group is considered as not fully compliant. Failure to comply with the GDPR may subject Mekonomen Group to significant monetary sanctions and claims for damages. The sanctions under the GDPR could be as high as 4 per cent of Mekonomen Group's annual turnover and based on the financial figures for the financial year ended 31 December 2020, payable sanctions could amount to about SEK 460 million, which could have an adverse effect on Mekonomen Group's earnings and financial position.

*Risk level: Medium*

#### Mekonomen Group bears product liability and product liability claims may damage the Group's reputation

Mekonomen Group warehouses more than 100,000 different kinds of articles and Mekonomen Group is thus exposed to potential claims if the products sold by the Group fail to function as expected, prove to be defective or if use of the products causes, results in, or is alleged to have caused or resulted in, personal injury, property damage or other adverse consequences. Defects in Mekonomen Group's products can result in the Group incurring significant costs, e.g. for liability damages. There is also a risk that Mekonomen Group's insurances do not cover such incidents. It may furthermore prove to be costly and time-consuming to defend against product liability claims, irrespective of whether they relate to personal injury or project delays or other damage, and such claims may potentially damage Mekonomen Group's reputation and standing on the market, increase Mekonomen Group's costs, and consequently have a material adverse impact on Mekonomen Group's financial position.

*Risk level: Low*

#### Mekonomen Group risks being involved in disputes

Mekonomen Group may from time to time be subject to complaints, claims, disputes and subsequent arbitral, judicial and/or administrative proceedings from its customers, employees, suppliers or other third-parties, concerning for instance, negligence or failure to comply with domestic and foreign competition law, including improper business methods, environmental and chemicals legislation, tax legislation and treaties, employee health and safety regulations, as well as alleged breach of contract or infringement of intellectual property rights. In the event Mekonomen Group is convicted or deemed liable in any such proceedings, the Group may be subject to significant fines, penalties, refunds or other damages, and even if successfully resolved without direct adverse financial effect, could have an adverse effect on Mekonomen Group's reputation among its customers and presumptive customers, consequently, leading to a loss of market shares and demand for Mekonomen Group's products and services. Any such proceeding may further prove to be time-consuming, disrupt business operations by diverting financial and management resources, and lead to other significant procedural costs, all of which may have an adverse impact on Mekonomen Group's earnings and, consequently, its financial position.

*Risk level: Low*

#### Mekonomen Group is exposed to taxation-related risks

Mekonomen Group conducts its operations through companies in Sweden, Norway, Denmark, Poland, Finland and Hong Kong. Mekonomen Group's business, including transactions between companies in the Group, is conducted in accordance with Mekonomen Group's interpretation of applicable tax legislation, tax treaties and regulations in the aforementioned jurisdictions and the requirements of the relevant tax authorities. Relating

hereto, Mekonomen Group is from time to time subject to assessments by the tax authorities in these jurisdictions. In such assessments, Mekonomen Group's interpretation of applicable tax legislation and other applicable rules relating to tax might be challenged and tax authorities may disagree with Mekonomen Group's interpretation and subsequently impose additional tax and tax surcharges on the Group. For instance, there is an ongoing tax audit of Inter Team in Poland relating to the financial year 2017, potentially involving an additional tax liability of approximately SEK 650,000 for Inter Team in Poland. However, as this relates to a period before Mekonomen Group purchased Inter Team, any tax surcharges should be paid by the previous owner. In the event that Mekonomen Group's interpretation of applicable laws, tax treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustments with regard to an entity of Mekonomen Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the past or current tax positions of Mekonomen Group may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have an adverse effect on Mekonomen Group's earnings and, consequently, its financial position.

*Risk level: Low*

### **Risks related to Mekonomen Group's internal control**

#### Mekonomen Group is subject to compliance risks in relation to its own and its supplier's business operations

Mekonomen Group has implemented various policies covering e.g. equality, diversity and inclusion, health and safety, traffic safety, environment, quality, information security policy and anti-corruption policy. Furthermore, Mekonomen Group inspects and monitors its suppliers in relation to corruption and anti-bribery or violations of human rights, some of which conduct operations in certain jurisdictions in which the risk for corruption and human rights violation is high. There is a risk that Mekonomen Group's compliance and governance processes may not prevent breaches of applicable laws, regulations and other standards applicable to Mekonomen Group. Furthermore, a failure in identifying and monitoring breaches by its external suppliers in relation to corruption, anti-bribery and/or violations of human rights could risk damaging Mekonomen Group's reputation, even if Mekonomen Group would not be found to be directly liable for any breach of such rules and regulations. Furthermore, as Mekonomen Group employs a large number of employees, there is a risk that individual employees may not comply with the Group's policies and guidelines and may consequently cause Mekonomen Group, to incur additional costs related to the lack of compliance caused by the employees acts or omissions and may further cause reputational harm to Mekonomen Group.

*Risk level: Low*

### **Risks related to Mekonomen Group's financial situation**

#### Mekonomen Group is exposed to exchange rate fluctuations

Within Mekonomen Group there are a number of reporting units which, in their operations, have a reporting currency other than the Swedish krona. Consequently, Mekonomen Group is exposed to the financial risks that arise due to exchange rate fluctuations. The exchange rate risk consists of changes in exchange rates having an adverse impact on Mekonomen Group's earnings and equity. Currency exposure arises in connection with payment flows in foreign currency (transaction exposure) and in conjunction with the translation of loans/receivables in foreign currency, as well as the balance sheets and income statements of foreign subsidiaries, into Swedish kronor (translation exposure). The key currencies in which Mekonomen Group has the most exchange risk exposures are the Euro and Norwegian kronor. Mekonomen Group's estimated

currency exposure due to a 10 per cent increase in the value of the Euro and Norwegian kronor amounted to SEK 165 million and SEK 65 million, respectively, as at 31 December 2020. Furthermore, Mekonomen Group's net result was adversely affected by approximately minus 3 per cent during the fourth quarter of 2020, due to unfavorable currency developments.

Thus, in the event that measures taken by Mekonomen Group to hedge or otherwise control the effects of exchange rate movements prove to be insufficient, this may have a material adverse impact on Mekonomen Group's earnings and, consequently, its financial position.

*Risk level: Medium*

#### Mekonomen Group may be dependent on obtaining additional financing and may have difficulties accessing such financing on competitive terms

Mekonomen Group may be dependent, in addition to its existing financing arrangements and the Bonds to be issued, on obtaining additional debt financing in the future in order to execute its growth strategy and in order to refinance the Bonds, by e.g. taking new market loans, issuing new debt instruments or issuing new equity. As at 31 December 2020, Mekonomen Group's outstanding interest-bearing long-term liabilities to credit institutions totaled SEK 2,743 million. There is a risk that Mekonomen Group may not be able to obtain additional financing, or that it may only be able to obtain such financing at significantly higher cost than what is currently the case. Factors such as market conditions, the general availability of credit and Mekonomen Group's creditworthiness may affect the availability of financing and the possibility of refinancing. In addition, the availability of further financing and the possibility of refinancing are dependent on lenders to Mekonomen Group taking a positive view of long-term and short-term financial prospects for Mekonomen Group as well as its general condition. Disruptions and uncertainty in the financial markets may also restrict the supply of capital or increase the cost for Mekonomen Group significantly. Financial market conditions may be affected by various factors, including adverse macroeconomic development, sovereign debt crises and unstable political environment. For instance, the outbreak of Covid-19 and thereto related global and local measures have led to an increase in financing costs whilst negatively affecting the overall availability of financing. Future periods of uncertainty, increased volatility, disruptions or sustained adverse developments in the financial markets could constrain Mekonomen Group's access to capital and result, for instance, in a reduction of liquidity that could make it more difficult to obtain such additional funding for Mekonomen Group at reasonable costs. Difficulties accessing additional financing could thus have an adverse impact on Mekonomen Group's liquidity and financial position.

*Risk level: Medium*

#### Liquidity risk

Liquidity risk refers to the risk of Mekonomen Group encountering difficulties in fulfilling its obligations associated with financial liabilities due to, for instance, not having cash or credit facilities to cover its payment commitments and obligations, including interest payments. Mekonomen Group's total current liabilities as at 31 December 2020, amounted to approximately SEK 3,283 million and Mekonomen Group's available liquidity as at 31 December 2020 amounted to approximately SEK 1,442 million. Banks and other credit institutions could terminate existing financing arrangements as well as revoke given commitments of credits, in the event that Mekonomen Group finds itself in a weak financial position. Furthermore, if Mekonomen Group's liquidity sources prove to be insufficient, restrictions in accordance with the Terms and Conditions and the Group's financing agreement relating to incurring new financial indebtedness, may affect Mekonomen Group's ability to remedy potential liquidity insufficiencies. As the Terms and Conditions and financing agreements further

includes limitations in respect of granting security, it may be difficult for Mekonomen Group to attract such financing on competitive market terms. Thus, there is a risk that Mekonomen Group's liquidity sources prove to be insufficient or that additional liquidity sources in the form of financial indebtedness cannot be attained, which could have a material effect on the possibility to meet current and/or future liabilities entailing, for instance, costs for obtaining additional financing on short notice, claims from creditors due to defaults, and, ultimately, a risk for bankruptcy proceedings relating to entities within the Mekonomen Group.

*Risk level: Medium*

#### Interest rate risk

Interest rate risk refers to the risk that changes in interest rates will affect Mekonomen Group's net interest payments. Mekonomen Group's interest rate risk arises from outstanding floating-rate borrowings from financial institutions, which expose Mekonomen Group to risks attributable to the development of current interest rate levels. The average interest rate for Mekonomen Group's interest-bearing financial liabilities during the financial year ended 31 December 2020 was 2.5 per cent. Mekonomen Group uses derivative instruments to hedge its exposure towards fluctuations in interest rates. Mekonomen Group estimates that an increase of one per cent of the market interest during 2020, would have adversely affected Mekonomen Group's result with approximately SEK 11 million for the financial year ended 31 December 2020.

*Risk level: Low*

#### Credit and counterparty risks

Mekonomen Group's financial transactions give rise to credit risks vis-à-vis financial counterparties. Credit and counterparty risks materialize when counterparties are unable or unwilling to fulfill their payment obligations towards Mekonomen Group. Mekonomen Group's credit risk primarily comprises accounts receivable, which are allocated over a large number of counterparties, as well as a smaller portion of long-term instalment payment contracts. Mekonomen Group's accounts receivable amounted to SEK 828 million as at 31 December 2020. Financial and operational challenges experienced by customers may impact Mekonomen Group's ability to collect outstanding receivables fully or in a timely manner, or at all, which in turn could lead to credit losses and, ultimately, require Mekonomen Group to raise additional capital or obtain alternative financing to meet its own obligations. An increase in credit losses or failure by counterparties to meet their payment obligations towards Mekonomen Group could thus have an adverse impact on the Group's liquidity and earnings as a consequence of bad debt.

*Risk level: Low*

#### Mekonomen Group is exposed to the risk of impairment of goodwill

Mekonomen Group's intangible assets largely comprise of goodwill. As at 31 December 2020, the goodwill in Mekonomen Group's consolidated balance sheet amounted to SEK 3,679 million (as at 31 December 2019 SEK 3,770 million). The goodwill is primarily a result of the acquisitions of Sørensen og Balchen in 2011, MECA in 2012 and FTZ and Inter-Team in 2018. The valuation model used for calculation of goodwill is complex and based on forward-looking assumptions, which give rise to a risk of wrong conclusions due to assumptions being used for the valuation model. If acquired businesses underperform compared with the assumptions made in conjunction with the valuation, there is a risk of impairment of goodwill. If Mekonomen Group's valuation of the acquired business proves to be incorrect, Mekonomen Group needs to write down the goodwill value, which would have an adverse impact on Mekonomen Group's earnings and financial position. Considering the

significance of the goodwill on Mekonomen Group's balance sheet, any goodwill impairments could have a significant impact on the earnings and financial position of the Group.

*Risk level: Low*

## **Risks related to the Bonds**

### The Bonds carry credit risks

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

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

*Risk level: Medium*

### Structural subordination and insolvency of subsidiaries

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

Furthermore, in the event of insolvency, liquidation or a similar event relating to any of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. Mekonomen Group and its assets may not be protected from any actions by the creditors of any subsidiary of Mekonomen Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Company could result in the obligation of the Company to make payments under parent company financial guarantees in respect of such subsidiaries' obligations. This could have a material adverse effect on the Company's business, financial position and results of operations and on the Bondholders' recovery under the Bonds.

*Risk level: Medium*

### Risks related to early redemption and put options of the Bonds

Under the Terms and Conditions, the Company has reserved the possibility to redeem all of the outstanding Bonds (together with accrued but unpaid interest, as set out in the Terms and Conditions) for a certain period before the final redemption date. If the Bonds are redeemed before the final redemption date, there is a risk that the market value of the Bonds, at the time of the redemption, is higher than the redemption amount and/or that it may not be possible for the Bondholders to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

Furthermore, according to the Terms and Conditions, the Bonds are subject to repurchase at the option of each Bondholder (put options) upon a Change of Control Event, a De-listing Event or a Listing Failure Event (as defined in the Terms and Conditions). However, there is a risk that the Company will not have sufficient funds at the time of such repurchase to make the required repurchase of the Bonds which could adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option. In addition, a partial repayment of the Bonds may affect the liquidity of the Bonds and may have a negative impact on the market value of the Bonds which could result in the Bondholders having difficulties to sell the Bonds (at all or at reasonable terms).

*Risk level: Medium*

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

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

Further, the process for determining STIBOR and other interest rate benchmarks (“**Benchmarks**”) are subject to a number of regulatory reforms, some of which have already been implemented and some of which are currently in progress. The most comprehensive initiative on this area is the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (the “**BMR**”) which came into force on 1 January 2018 and regulates the provision of Benchmarks, the contribution of input data to Benchmarks and the use of Benchmarks within the EU. Increased administrative requirements and the regulatory risks associated therewith could lead to participants no longer wanting to participate in the determination of Benchmarks, or that certain Benchmarks are discontinued. The degree to which amendments to and application of the BMR may affect the Bondholders is uncertain and presents a significant risk to the return on the Bondholder’s investment.

*Risk level: Low*

#### Risks relating to lack of liquidity in the market for the Bonds

The Company has undertaken to ensure that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another regulated market, within certain time periods, as defined in the Terms and Conditions. There is a risk that the Bonds may not always be actively traded. In general, financial instruments with a high nominal value, such as the Bonds which have a nominal value of SEK 1,250,000, are not traded as frequently as financial instruments with a lower nominal value, as the investors being able to trade in such instruments are fewer than for

instruments with a lower nominal value. Thus, there is a risk that there will not be a liquid market for trading in the Bonds. This may result in the Bondholders being unable to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds and present a significant risk for an investor who wants or needs to divest its Bonds. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, inter alia, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

*Risk level: Low*

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

Subject to the Terms and Conditions, the Agent will represent all Bondholders in relation to the Bonds and the Bondholders are prevented from taking actions on their own against the Company. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Company and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, the possibility that a Bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Company.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact Bondholders' rights under the Terms and Conditions in a manner that is undesirable for some of the Bondholders. There is also a risk that a Swedish court will not recognise the Agent's right to represent Bondholders in court, solely with reference to the Terms and Conditions. Thus, if such a written power of attorney may not be obtained from the Bondholders, there is a risk that the Agent will not be able to represent the Bondholders in court, which would have a negative impact on the Bondholders' possibility to have a legal matter regarding the Bonds tried by a court.

*Risk level: Low*

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the Board of Directors of the Company on 11 February 2021 and was subsequently issued by Mekonomen on 18 March 2021.

This Prospectus has been prepared in connection with Mekonomen's application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").

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

The Board of Directors of the Company is responsible for the information given in this Prospectus. The Company is the source of all company specific data contained in this Prospectus and neither the Joint Bookrunners nor any of their representatives have conducted any efforts to confirm or verify the information supplied by the Company. There is no information in this Prospectus that has been provided by a third party.

The Board of Directors confirms that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Stockholm, 12 April 2021

**Mekonomen Aktiebolag (publ)**

*The Board of Directors*

## THE BONDS IN BRIEF

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

<b>Issuer:</b>	Mekonomen Aktiebolag (publ), a Swedish public limited company with corporate registration no. 556392-1971.
<b>Bonds:</b>	Senior unsecured floating rate bonds in a maximum aggregate nominal amount of SEK 2,000,000,000.  Each Bond has a Nominal Amount of SEK 1,250,000.
<b>Bonds to be admitted to trading:</b>	This Prospectus relates to admission to trading of the 1,000 Bonds issued by the Issuer on the First Issue Date, in an aggregate total nominal amount of SEK 1,250,000,000.
<b>ISIN:</b>	SE0015660022
<b>Issue Date:</b>	18 March 2021
<b>Issue Price:</b>	The Bonds are issued at a price equal to 100 per cent of the Nominal Amount.
<b>Interest:</b>	Interest on the Bonds will be paid at a floating rate of STIBOR (3 months) plus 2.5 per cent. per annum.  Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
<b>Benchmark Regulation:</b>	The interest payable under the Bonds is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.  As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“ <b>SFBF</b> ”) which provides STIBOR, assumes overall responsibility of and is the principal for STIBOR, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark

	Regulation apply, such that the SFBF is not currently required to obtain authorization or registration.
<b>Interest Payment Dates:</b>	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 Bonds shall be 18 June 2021 and the last Interest Payment Date shall be the relevant Redemption Date.
<b>Nominal Amount:</b>	SEK 1,250,000.
<b>Status of the Bonds:</b>	<p>The Bonds are denominated in Swedish Kronor and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.</p>
<b>Use of proceeds:</b>	The Issuer shall use the Net Proceeds from the issuance of the Initial Bonds (i) for the prepayment of Bank Loans and (ii) for general corporate purposes of the Group (including acquisitions). The Net Proceeds from the issuance of any Subsequent Bonds issue shall be used to finance general corporate purposes (including acquisitions) or for the repayment of Financial Indebtedness.
<b>Listing:</b>	<p>The Issuer has the intention to obtain admission to trading of the Bond Loan represented by the Initial Bonds and any Subsequent Bonds (as applicable) on the corporate bond list of Nasdaq Stockholm within thirty (30) days after the First Issue Date, or in respect of Subsequent Bonds, following the relevant subsequent issue date.</p> <p>Following an admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Bonds are outstanding, but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.</p>
<b>Central Securities Depository (CSD):</b>	“CSD” means the Issuer’s central securities depository and registrar in respect of the Bonds, from time to time, initially

	<p>Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.</p> <p>The Bonds will be connected with the account-based system of Euroclear, for the purpose of having the payment of interest and principal managed by Euroclear. The Bonds have been registered for the Bondholders on their respective Securities Accounts and no physical notes have or will be issued.</p>
<b>Agent:</b>	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.
<b>Transferability:</b>	The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
<b>Redemption Date:</b>	<p>The Final Maturity Date is 18 March 2026.</p> <p>The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the Business Day following from the application of the Business Day Convention if permitted under the CDS Rules or otherwise on the first following Business Day.</p>
<b>Prescription:</b>	<p>The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date.</p> <p>The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.</p>
<b>Rights:</b>	A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
<b>Governing law:</b>	The governing law of the Bonds is Swedish law.
<b>Credit rating:</b>	The bonds have not received any credit rating.

## **INFORMATION ABOUT MEKONOMEN GROUP**

### **Description of Mekonomen Aktiebolag (publ)**

Mekonomen Aktiebolag (publ) is a Swedish public limited liability company established on 8 January 1990 and registered with the Swedish Companies Registration Office, with registration number 556392-1971, in April 1990. The Company's legal and commercial name is Mekonomen Aktiebolag (publ) and its Legal Entity Identifier (LEI) code is: 529900R809HC1RFRQA91. Mekonomen's registered office is Box 19542, 104 32 Stockholm, Sweden. Mekonomen's operations are regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Mekonomen's shares are listed on Nasdaq Stockholm.

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

Mekonomen shall, in accordance with the current articles of association of the Company, adopted on 14 April 2011, own and manage companies whose operations shall consist of conducting sales of automotive spare parts and accessories, and to conduct other related operations. Mekonomen Group consists of the leading automotive spare parts chains in northern Europe, with proprietary wholesale operations, over 470 stores and 3,600 workshops operating under the Group's brands. Mekonomen Group operates through four business areas: FTZ, Inter-Team, MECA/Mekonomen and Sørensen og Balchen.

## **BUSINESS OVERVIEW**

### **Business concept**

Mekonomen Group operates and develops business in the automotive independent aftermarket. Mekonomen Group focus on growth, collaboration, synergies and driving sustainable and digital development in the industry. The business concept is timeless and is based on enabling mobility – today, tomorrow and in the future – as technology evolves and vehicles are used in new ways. Mekonomen Group satisfies the need for services and products to the car owners.

Mekonomen Group's business concept is to offer the car owners; consumers and companies, solutions for a simpler and more affordable car life by using clear and innovative concepts, high quality and an efficient logistics chain. Mekonomen Group purchases spare parts and accessories from major suppliers that are stocked in Mekonomen's central warehouses. Products and services are distributed to and sold through Mekonomen Group's branches, to affiliated workshops under Mekonomen Group's Brands, other business customers and consumers.

Mekonomen Group operates in four core markets, including Sweden, Norway, Denmark and Poland. Sales is carried out via central warehouses, to Mekonomen Group's branches and on to affiliated workshops and other business customers. Sales are also made to consumers through Mekonomen Group's branches. The FTZ business area mainly includes wholesale to B2B customers in Denmark. The Inter-Team business area mainly includes wholesale to B2B customers in Poland and export business while the MECA/Mekonomen business area mainly includes wholesale to B2B customers but also B2C in Sweden, Norway and Finland. The business area comprises MECA, Mekonomen and a number of smaller operations. The Sørensen og Balchen business area mainly includes wholesale to B2B customers but also B2C in Norway.

### **Strategy**

*The car owner's customer experience*

Mekonomen Group seeks to create a seamless customer experience and simplicity for car owners. Even though sales directly to the car owners only constitutes around 10 per cent of Mekonomen Group's total sales, car owners are a strategic target group that extensively guides concept and business development in Mekonomen Group. Creating services and solutions that attract car owners to Mekonomen Group's affiliated workshops contributes extensively to affiliated workshops satisfaction and loyalty. At the same time, the flow of car owners to the workshops contributes to increasing Mekonomen Group's sales of spare parts to affiliated workshops.

#### *Workshop concepts*

Mekonomen Group seeks to offer attractive and differentiated workshop concepts. The concepts are intended to contribute to business benefits for the workshops. In addition to a broad range of spare parts and car accessories, workshops are offered several services and solutions that simplify everyday life and improve the customer experience for the car owners. This includes business- and management systems, training, technical support, recruitment support and profitability optimisation. The concepts also contribute to the workshops acquiring more customers, through among other things large customer agreements, bookings through a central customer service and digital booking flows and, not least, strong brands that guarantee quality and a high level of service. Continuing to develop strong workshop concepts is strategically important for all the business areas.

#### *Product range and distribution*

In the core business, Mekonomen Group offers high availability and a complete assortment of spare parts and car accessories to professional workshops and car owners. Mekonomen Group has strong partnerships with leading suppliers and also offer assortment under own brands. Mekonomen Group's central purchasing function set high demands on the suppliers to ensure quality and purchasing synergies in Mekonomen Group's product range.

#### *The assets for driving profitable growth*

Mekonomen Group's foremost assets for delivering on the strategy are committed managers and employees, differentiated brands and concepts. With these assets Mekonomen Group ensures that they cover all parts of the market dynamics whilst deriving the synergies from operating as one group, not only purchasing benefits, but also in other strategically chosen areas.

Sustainability is integrated in everything Mekonomen Group does. In addition, the operations are built from strong individual cultures and values, which is a strength that are safeguarded and will retain. Common is that Mekonomen Group as a company, and its employees, acts based on respect, commitment and having the customer in focus. In an increasingly changing world, it is important for Mekonomen Group to be sensitive and continuously develop and adapt the business structures and business flows in order to remain competitive.

### **Key events in the history of Mekonomen Group**

- 1973: Mekonomen was originally founded under the name Bileko.
- 1999: Establishment in Norway through the acquisition of Christoffersen and Bekken.
- 2000: IPO and listing on the Stockholm Stock Exchange.

- 2010: Establishment of the first store in Finland and acquisition of the car service chain Speedy in Sweden.
- 2011: Acquisition of Sørensen og Balchen and a purchasing cooperation was initiated.
- 2012: Acquisition of MECA Scandinavia with stores and workshops in Sweden and Norway.
- 2017: US car parts wholesaler LKQ Corporation became principal shareholder.
- 2018: Strengthening of position in northern Europe as a result of acquisitions of FTZ and Inter-Team.
- 2020: New strategy and financial goals in place.

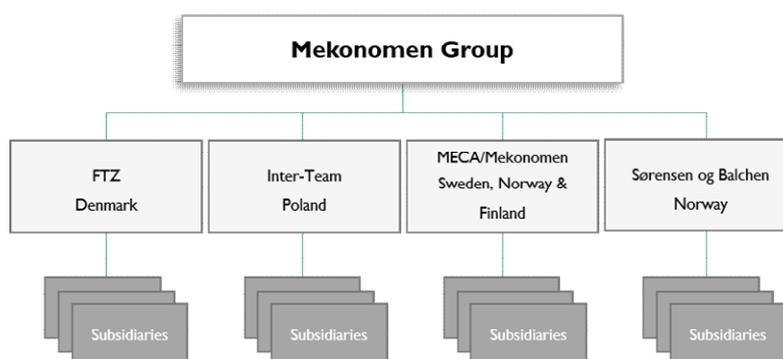
## Material changes and information on trends

There has been no:

- > significant change in relation to the issuance of the Bonds on 18 March 2021, in the financial or market position of Mekonomen Group since the latest published annual report;
- > material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement;
- > recent events which is to a material extent relevant to the evaluation of the Company's solvency since the publication of Mekonomen Group's latest financial report; and
- > significant change in the financial performance of Mekonomen Group, since the end of the last financial period for which financial information has been published to the date of this Prospectus.

## Organizational Structure

Mekonomen is as of the date of this Prospectus the parent company of 166 directly or indirectly owned subsidiaries. Since Mekonomen's operations are mainly carried out through its subsidiaries in Sweden, Norway, Denmark, Poland and Finland, Mekonomen is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.



## Corporate governance

There is one major shareholder, LKQ Corporation, in Mekonomen within the meaning of the Swedish Code of Corporate Governance (Sw. *Svensk kod för bolagsstyrning*) (the “**Code**”), pursuant to which a “major

shareholder” is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. As far as Mekonomen is aware of, there are no direct or indirect significant ownership or control over Mekonomen in addition to the aforementioned ownership and what is set out in the table under the section “Ownership structure” below. In order to prevent shareholders abusing power due to the ownership structure and control of the Company, Mekonomen has inter alia adopted policies regarding closely related party transactions.

Mekonomen’s shareholders, including any major shareholder, exercise their influence through participation in the decisions made at the shareholder’s meeting. Mekonomen complies with the provisions of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Code, except for item 2.4 in the Code (in the 2019 financial year). According to item 2.4 in the Code, a board member shall not be the Nomination Committee’s chairman. The Company’s explanation for the deviation of the Code in the aforementioned aspect, is that it is a natural choice to appoint the chairman of the board, John S. Quinn, as the chairman of Nomination Committee, considering the ownership structure of Mekonomen. The Company also acts in line with, inter alia, the Board’s and Committee’s rules and procedure and the instructions for the CEO adopted by Mekonomen. Annually, Mekonomen’s Corporate Governance Report is attached to the annual report and available on the Company’s website. Furthermore, Mekonomen has appointed an Audit Committee and a Remuneration Committee.

### **Credit ratings**

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

### **Dispute and litigation**

Mekonomen Group is, from time to time, involved in legal disputes, and subject to investigations and injunctions from authorities. For example, a pension company has made a claim against FTZ of DKK 7 million. However, there is no financial risk associated with the claim. Neither the Company nor Mekonomen Group are, or have over the past twelve months been, party to any legal governmental or arbitration proceedings that have had, or would have, a significant effect on Mekonomen Group’s financial position or profitability. The Company is not aware of any such proceedings which are pending or threatening, and which could lead to the Company or any member of Mekonomen Group becoming a party to such proceedings.

### **Interest of advisors**

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

### **The share**

The total number of shares in the Company as of the date of this Prospectus is 56,416,622. All issued shares have equal rights in the company and are entitled to one vote at the Annual General Meeting. Mekonomen’s shares are listed on Nasdaq Stockholm and are freely transferrable.

## Ownership structure

On 28 February 2021, Mekonomen had 11,953 known shareholders. On 28 February 2021, the share capital amounted to SEK 141,041,555. The quotient value is SEK 2.5 per share. Each share represents one (1) vote. Mekonomen's largest shareholder is LKQ Corporation, the next-largest shareholder in Mekonomen is Fjärde AP-fonden followed by Didner & Gerge Fonder. Mekonomen's shares are traded on Nasdaq Stockholm. Below is a list of the ten largest shareholders in Mekonomen as of 28 February 2021.

Shareholders as of 28 February 2021	Number of shares	Capital and votes (%)
LKQ Corporation	15,001,046	26.6
Fjärde AP-fonden	4,819,293	8.5
Didner & Gerge Fonder	3,764,970	6.7
Swedbank Robur Fonder	1,930,000	3.4
Ewa Fraim Pålman	1,886,731	3.3
AFA Försäkring	1,675,678	3.0
Dimensional Fund Advisors	1,425,170	2.5
Avanza Pension	1,077,218	1.9
Vanguard	1,030,645	1.8
Ing-Marie Fraim	1,000,000	1.8
<b>Total</b>	<b>33,610,751</b>	<b>59.6</b>
Others	22,805,871	40.4
<b>Total</b>	<b>56,416,622</b>	<b>100.0</b>

## BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

### Board of Directors

Mekonomen's board of directors currently consists of seven (7) board members, elected by the Annual General Meeting. The Annual General Meeting elected members are elected for one year until the end of the next Annual General Meeting. There is no limit to how long a member can sit on the board. According to the Company's articles of association, the board of directors shall comprise of not less than three (3) and not more than seven (7) directors, with not more than three (3) deputy directors. All members of the board of directors can be contacted through Mekonomen's registered address, Box 19542, 104 32 Stockholm, Sweden.

The section below presents the members of the board of directors, their position, including the year of their initial election, their significant assignments outside Mekonomen, which are relevant for Mekonomen.

#### Overview<sup>1</sup>

Name	Position	Board member since
John S. Quinn	Chairman of the Board	2017
Helena Skåntorp	Executive vice chairman of the Board	2004
Eivor Andersson	Member of the Board	2018
Kenny Bräck	Member of the Board	2007
Joseph M. Holsten	Member of the Board	2017
Magnus Håkansson	Member of the Board	2019
Arja Taaveniku	Member of the Board	2019

#### Members of the board of directors

##### **JOHN S. QUINN**

*Chairman. Member of the board of directors since 2017.*

**Other assignments:** Executive Strategic Advisor LKQ Corporation, Member of Supervisory Board ATR International.

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<sup>1</sup> The Chairman of the Board, John S. Quinn, and the member of the Board, Arja Taaveniku, have informed the Company's Nomination Committee that they are refraining from re-election at the 2021 Annual General Meeting, which will be held on May 7, 2021. The Company's Nomination Committee has proposed new election of Robert Hanser and Michael Løve at the 2021 Annual General Meeting. Robert Hanser is proposed to be elected Chairman of the Board.

## **HELENA SKÅNTORP**

*Executive vice chairman of the board. Member of the board of directors since 2004.*

**Other assignments:** Board member of ByggPartner i Dalarna Holding AB (publ) and Cellink AB (publ.). Chairman of the Board of Plint Holding AB and Plint AB. Chairman of the Board of Ljung&Sjöberg AB. Chairman of the Board and President of Skåntorp & Co AB, and Co-founder and Chairman of the Board of Nielstorp AB.

## **EIVOR ANDERSSON**

*Member of the board. Member of the board of directors since 2018.*

**Other assignments:** Chairman of the Board of SkiStar Aktiebolag (publ) and Svanudden AB. Board member of AB Svenska Spel.

## **KENNY BRÄCK**

*Member of the board. Member of the board of directors since 2007.*

**Other assignments:** Chief Test and Development Driver for McLaren Automotive. Minority owner and Board member of Motorsport Auctions Ltd.

## **JOSEPH M. HOLSTEN**

*Member of the board. Member of the board of directors since 2017.*

**Other assignments:** Executive Chairman of the Board of LKQ Corporation. Member of the Board of Covanta Holding Corporation.

## **MAGNUS HÅKANSSON**

*Member of the board. Member of the board of directors since 2019.*

**Other assignments:** CEO of Media Markt Sweden, Chairman of the group of Tenant & Partner Group AB, GSI Sweden AB and Impande Foundation Sweden.

## **ARJA TAAVENIKU**

*Member of the board. Member of the board of directors since 2019.*

**Other assignments:** Chairman of the Board of Svenska Handelsfastigheter AB. Board member of Handelsbanken, Nobia AB and Dunelm PLC.

## **Executive Management**

The section below presents the members of the executive management, their position, including the year each person became a member of the executive management and any principal activities performed outside of Mekonomen, which are significant with respect to Mekonomen. All members of the executive management can be contacted through Mekonomen's registered address, Box 19542, 104 32 Stockholm, Sweden.

### Overview

<b>Name</b>	<b>Position</b>	<b>Employed since</b>
Pehr Oscarson	President and CEO	2001
Åsa Källenius	CFO	2017
Petra Bendelin	Director of Business Development & Strategy	2010
Gabriella Granholm	Director of Communication & Marketing	2010
Robert Hård	Director of Legal Affairs & Sustainability	2003
Tobias Narvinger	COO	2011-2016, 2017

### Members of the executive management

#### **PEHR OSCARSON**

*President and CEO. Employed since 2001.*

**Other assignments:** Deputy Chairman of Association of Swedish Wholesalers of Automotive Parts and Accessories (SBF).

#### **ÅSA KÄLLENIOUS**

*CFO. Employed since 2017.*

**Other assignments:** Member of the board of Green Landscaping Group AB (publ) and SinterCast AB.

#### **PETRA BENDELIN**

*Director of Business Development & Strategy. Employed since 2010.*

**Other assignments:** Member of the board of Swedspot AB, Ezeride AB, Telge Tillväxt (i Södertälje) AB and Lasingoo Sverige AB.

#### **GABRIELLA GRANHOLM**

*Director of Communication & Marketing. Employed since 2010.*

**Other assignments:** -

#### **ROBERT HÅRD**

*Director of Legal Affairs & Sustainability. Employed since 2003.*

**Other assignments:** -

#### **TOBIAS NARVINGER**

*COO. Employed 2011 – 2016, 2017-.*

**Other assignments:** -

### **Other information about the Board of Directors and the Executive Management**

All members of the board of directors are independent of the Company and its management. Five of the members are independent in relation to major shareholders. The President and CEO is not a Board member nor any other member of the Mekonomen Group's management. There are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management of Mekonomen and their private interests or other undertakings. However, several members of the board of directors and executive management have financial interests in Mekonomen as a result of their shareholding in Mekonomen.

#### **Auditor**

The auditors of Mekonomen are elected by the Annual General Meeting. PricewaterhouseCoopers AB (PwC) has been Mekonomen's public accounting firm since 2014 and was re-elected in 2020 for the period up to the

2021 Annual General Meeting. Linda Corneliusson, Authorised Public Accountant, PwC, and member of FAR, is the auditor in charge. PwC's business address is Torsgatan 21, 113 21 Stockholm, Sweden.

### **Shareholders' agreements**

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

### **Material agreements**

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

### **Clearing and settlement**

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 1,250,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0015660022.

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

### **Representation of the Bondholders**

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

By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions. The Terms and Conditions are available at the Agent's office address (Norrandsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours as well as at the Agent's website [www.nordictrustee.com](http://www.nordictrustee.com).

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

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 14 April 2021 for which listing this Prospectus has been prepared.

Mekonomen expects the aggregate cost in connection with the admission to trading to amount to not more than SEK 250,000.

### **Documents available for inspection**

Hard copies of the following documents are available for review during the period of validity of this Prospectus at Mekonomen's visiting address at Solnavägen 4, 113 65 Stockholm, Sweden, during ordinary weekday office hours and, in electronic form, on the Company's website [www.mekonomen.com](http://www.mekonomen.com):

- > Mekonomen Group’s audited consolidated financial statements, including the auditor’s report, for the financial years 2019 and 2020;
- > this Prospectus and the Terms and Conditions;
- > Mekonomen’s articles of association as of the date of this Prospectus;
- > Mekonomen’s certificate of registration; and
- > all documents that have been incorporated by reference in this Prospectus.

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

## DOCUMENTS INCORPORATED BY REFERENCE

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

<b>Documents incorporated by reference</b>	<b>Page reference</b>
The audited consolidated financial statements of Mekonomen Group, including the auditor’s report, for the financial year 2019 can be found on the following link: <a href="#">Mekonomen Group’s annual report 2019</a>	The consolidated statement of income and other comprehensive income can be found on page 51, the consolidated statement of financial position can be found on page 52, the consolidated statement of changes in equity can be found on page 53, the consolidated statement of cash flows can be found on page 54, the notes to the consolidated financial statements and information on accounting principles can be found on pages 58-85 and the auditor’s report can be found on pages 87-89.
The audited consolidated financial statements of Mekonomen Group, including the auditor’s report, for the financial year 2020 can be found on the following link: <a href="#">Mekonomen Group’s annual report 2020</a>	The consolidated statement of income and other comprehensive income can be found on page 49, the consolidated statement of financial position can be found on page 50, the consolidated statement of changes in equity can be found on page 51, the consolidated statement of cash flows can be found on page 52, the notes to the consolidated financial statements and information on accounting principles can be found on pages 56-83 and the auditor’s report can be found on pages 85-87.

## **Presentation of financial information**

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents that have not been incorporated by reference is either deemed by the Company not to be relevant for the investors of the Bonds or is covered elsewhere in the Prospectus.

The audited consolidated financial statements of Mekonomen Group, including the auditor's report, for the financial years 2019 and 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been audited by the Company's auditor.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor.

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

The most recent audited financial information incorporated into this Prospectus by reference derives from Mekonomen Group's annual report for 2020.

**TERMS AND CONDITIONS**

**Mekonomen Aktiebolag (publ)**

dated 11 March 2021

TERMS AND CONDITIONS FOR

MEKONOMEN AKTIEBOLAG (PUBL)

UP TO SEK 2,000,000,000 SENIOR UNSECURED FLOATING RATE BONDS

ISIN: SE0015660022

Issuing agent: Skandinaviska Enskilda Banken AB (publ)

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

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.*

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## **PRIVACY NOTICE**

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

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

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

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

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

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

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

## 1 DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC.

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

“**Affiliates**” 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 Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds 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.

“**Bank Loans**” means any existing or future loan incurred by the Issuer or any Group Company in relation to any reputable bank.

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

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

“**Bond Loan**” means the loan constituted by these Terms and Conditions and evidenced by the Bonds.

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

“**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.

“**Cash and Cash Equivalents**” means the cash and cash equivalents as shown in the Financial Report.

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

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent, signed by the CFO, CEO or an authorized signatory of the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and which shall include a list of each Material Company.

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

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

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Bonds in which (i) an owner of Bonds is directly registered or (ii) an owner’s holding of Bonds is registered in the name of a nominee.

“**De-listing Event**” means an event that occurs if all or part of the shares in the Issuer cease to be listed on a Regulated Market.

“**EBITDA**” means the consolidated earnings before interest, taxes and depreciation and amortization on tangible and intangible assets of the Group, as shown in the Financial Report;

- (i) **before** taking into account the Restructuring Costs; and
- (ii) **deducting** the cost for any Operating Lease.

“**EBITDA to Net Interest Expenses Ratio**” means the ratio of EBITDA to Net Interest Expenses.

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

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

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

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with the Accounting Principles (as applied as 31 December 2018), be treated as a finance lease or a capital lease. For the avoidance of doubt, any type of leases treated as operating leases under the Accounting Principles as applied at such date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a Finance Lease.

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

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

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

“**Financial Report**” means the Group’s annual audited financial statements and quarterly interim unaudited reports which shall be prepared in accordance with international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC.

“**First Issue Date**” means 18 March 2021.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

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

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

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 8.1 to 0.

“**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 Bonds shall be 18 June 2021 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) in each case not taking into account the Business Day Convention.

“**Interest Rate**” means STIBOR (3 months) plus 2.5 per cent. per annum. For the avoidance of doubt, if the Interest Rate is below zero then the Interest Rate will be deemed to be zero.

“**Issue Date**” means the First Issue Date or any subsequent date when issuance of subsequent Bonds take place.

“**Issuer**” means Mekonomen AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556392-1971.

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

“**Listing Failure Event**” means (i) that the Initial Bonds are not admitted to trading on a Regulated Market within sixty (60) days following the First Issue Date, or (ii) that any Subsequent Bonds are not admitted to trading on a Regulated Market within sixty (60) days following their Issue Date, and (iii) in the case of a successful admission, that a period of sixty (60) days has elapsed since the Bonds ceased to be admitted to trading on a Regulated Market.

“**Market Loans**” 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, multilateral trading facility or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments) .

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

“**Material Company**” means the Issuer and each member of the Group:

- (a) which together with its Subsidiaries on a consolidated basis, has a turnover representing six (6) per cent. or more of the consolidated turnover of the Group; and/or
- (b) which together with its Subsidiaries on a consolidated basis, has gross assets representing six (6) per cent. or more of the consolidated gross assets of the Group,

in each case as according to the latest Financial Report.

“**Net Debt**” means (i) the consolidated interest-bearing debt of the Group as shown in the Financial Report (excluding pension liabilities, Operating Lease, liabilities under Finance Leases, liabilities under hedging arrangements and subordinated debt), less (ii) Cash and Cash Equivalents.

“**Net Debt to EBITDA Ratio**” means the ratio of Net Debt to EBITDA.

“**Net Interest Expenses**” means the consolidated interest expenses minus interest income of the Group excluding any capitalized interest as shown in the Financial Report (deducting any costs for any Operating Leases).

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

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

**“Operating Lease”** means any lease which is not a Finance Lease.

**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred under the Finance Documents;
  - (ix) incurred under a SEK 100,000,000 and EUR 405,000,000 Term Loan Facilities Agreement originally dated 28 August 2018, as amended by amendment requests dated 26 March 2020, 30 June 2020 and on or about the First Issue Date, between the Issuer and a number of Nordic banks or any new facilities refinancing such Financial Indebtedness;
  - (x) until five (5) Business Days following the First Issue Date, incurred under a SEK 1,650,000,000 Term and Revolving Facilities Agreement originally dated 12 June 2017, as amended by an amendment agreement dated 28 August 2018 and amendment requests dated 5 February 2019, 26 March 2020 and 30 June 2020, between the Issuer and a number of Nordic banks (the **“TRF Agreement”**) ;
  - (xi) incurred under any working capital facilities (including inter alia overdrafts and revolving credit facilities) with the Issuer as borrower in an aggregate amount not at any time exceeding SEK 1,320,000,000 (or its equivalent in other currencies);
  - (xii) incurred under a SEK 1,000,000,000 (or its equivalent in other currencies) accordion facility with the Issuer as borrower in connection with agreements entered into under (d) above;
  - (xiii) debt subordinated to the obligations of the Issuer under these Terms and Conditions and under the Agency Agreement;
  - (xiv) related to any agreements under which a Group Company leases office space (Sw. kontorshyresavtal) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company’s business;
  - (xv) of the Group incurred pursuant to any Finance Lease;
  - (xvi) owed by a Group Company to another Group Company;
  - (xvii) arising under (i) a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any currency, rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions or (ii) any interest rate hedging transactions in respect of payments to be made under any Permitted Debt, but not any transaction for investment or speculative purposes;
  - (xviii) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met, calculated pro forma including the acquired entity in question, and such Financial Indebtedness is unwound within a clean-up period of six (6) calendar months from completion of the relevant acquisition;
  - (xix) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test and (ii) ranks pari passu with or is subordinated to the obligations of the Issuer under these Terms and Conditions and under the Agency Agreement;

- (xx) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds;
- (xxi) guarantees issued by a Group Company for the obligations of a third party incurred in the ordinary course of business in an aggregate amount not exceeding SEK 100,000,000 (or its equivalent in other currencies);
- (xxii) of the Group under any tax or pensions liabilities incurred in the ordinary course of business if such tax or pension liabilities would be regarded as Financial Indebtedness; and
- (xxiii) not permitted by paragraphs (a) to (o) above incurred in the ordinary course of the Group's business and in an aggregate amount not at any time exceeding SEK 150,000,000 (or its equivalent in other currencies).

**"Permitted Security"** means any guarantee or Security:

- (a) arising by operation of law (including collateral or retention of title arrangements, conditional sales or hire purchase but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (b) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements or non-speculative hedging;
- (c) over any assets acquired or granted by any entity becoming a Group Company following the First Issue Date provided that such Security or guarantee is not created or increased due to such acquisition or transaction and is discharge within six (6) months from the acquisition or that entity becoming a Group Company;
- (d) provided in relation to any lease agreement (*hyresavtal*) entered into by a Group Company in the ordinary course of business or in relation to any tax or custom authorities;
- (e) comprising counter-indemnity obligations under any bank guarantees or letters of credit issued by a bank or financial institution and drawings under any such bank guarantees or letters of credit, which in each case is provided in the ordinary course of business in relation to customers, other business partners, governmental bodies or authorities on terms and conditions customary for counter-indemnity obligations;
- (f) comprising bank guarantees in relation to undertakings incurred in any Group Company's ordinary course of business;
- (g) comprising parent company guarantees in relation to Subsidiary undertakings; and
- (h) other than as permitted under paragraphs (a)-(g) above securing indebtedness the principal amount of which in aggregate does not exceed SEK 150,000,000 (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 Bondholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or

in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

**“Refinancing Debt”** means any Financial Indebtedness which refinances existing Financial Indebtedness of the Group, provided that the outstanding nominal amount of such Financial Indebtedness does not increase as a result of the refinancing.

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU).

**“Relevant Period”** means each relevant period of 12 consecutive calendar months.

**“Restructuring Costs”** means any restructuring costs of the Group incurred during the period 1 April 2020 to 30 September 2020 in a maximum aggregate amount of SEK 63,500,000.

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

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

**“STIBOR”** means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), 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.

“**Subordinated Loans**” means any loans which is (i) subordinated under an agreement, such as an intercreditor agreement, (ii) legally subordinated, or (iii) in its nature subordinated (*Sw. förlagslån*).

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

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

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

“**Test Period**” means each twelve month period ending on 31 March, 30 June, 30 September and 31 December of each year.

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*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 law, 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) a provision of law or regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

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

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

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## **2 STATUS OF THE BONDS**

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Initial Bonds is SEK 1,250,000,000. All Initial Bonds 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 the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant issue of Subsequent Bonds, the Issuer may, on one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,000,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15.8. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.5 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- 2.6 The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## **3 USE OF PROCEEDS**

### **3.1 Use of proceeds**

The Issuer shall use the Net Proceeds from the issuance of the Initial Bonds (i) for the prepayment of Bank Loans and (ii) for general corporate purposes of the Group (including acquisitions). The Net Proceeds from the issuance of any Subsequent Bonds issue shall be used to finance general corporate purposes (including acquisitions) or for the repayment of Financial Indebtedness.

## **4 CONDITIONS**

### **4.1 Conditions for disbursement**

4.1.1 The Issuer shall provide to the Agent, prior to the issuance of the Initial Bonds the following:

- (a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
- (b) a copy of a resolution of the board of directors of the Issuer approving the issue of the Initial Bonds and resolving to enter into documents necessary in connection therewith;
- (c) copies of the articles of association and certificate of incorporation of the Issuer;
- (d) evidence that the persons who have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer are duly authorised to do so;
- (e) an agreed form of Compliance Certificate; and
- (f) such other documents and information as is agreed between the Agent and the Issuer.

4.1.2 The Issuer shall provide to the Agent, prior to the issuance of any Subsequent Bonds the following:

- (a) a copy of a resolution of the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
- (b) a Compliance Certificate from the Issuer confirming that no Event of Default is continuing or would result from the issue of the Subsequent Bonds; and
- (c) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)).

4.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.2, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

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

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

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

5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the

Agent. For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register.

- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

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

- 6.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.1 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

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

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.

7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer 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 Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest as 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 Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 bps (2 per centage points) higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

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

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (except in connection with a redemption in full or repurchase of all Bonds not already held 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 Bonds in full any time from and including the first Business Day falling six (6) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the Bonds are in full or in part refinanced with one or several new Market Loans.

9.3.2 Redemption pursuant to Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record

Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice from the Issuer is irrevocable, but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any) the Issuer is bound to redeem (in which case each relevant Bondholder is bound to sell), the Bonds in full at the applicable amount on the specified Redemption Date.

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

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The 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). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem (in which case each relevant Bondholder is bound to sell), the Bonds in full at the applicable amount on the specified Redemption Date.

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

- 9.5.1 Upon the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, a De-listing Event or Listing Failure Event, as the case may be, pursuant to Clause 10.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, the De-listing Event or the Listing Failure Event, as the case may be.
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Bondholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer may 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 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase all the Bonds in

the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

## **10 INFORMATION TO BONDHOLDERS**

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

10.1.1 The Issuer shall make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
- (xxiv) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period;
- (xxv) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies; and
- (xxvi) 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 Bonds are admitted to trading.

10.1.2 The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event.

10.1.3 When the financial statements and other information are made available to the Bondholders pursuant to Cause 10.1.1, 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. The Compliance Certificate shall be in a form agreed between the Issuer and the Agent.

### **10.2 Information from the Agent**

Subject to the restrictions of a non-disclosure agreement entered into by the Agent, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 13.4 and 13.5).

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

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

## **10.4 Publication of Finance Documents**

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

## **11 INCURRENCE TEST**

### **11.1 Incurrence Test**

11.1.1 The Incurrence Test is met if:

- (a) the Net Debt to EBITDA Ratio for the latest Test Period is not greater than three point five (3.50); and
- (b) EBITDA to Net Interest Expenses Ratio for the latest Test Period is equal to or greater than 3.00:1.00,

in each case calculated and adjusted in accordance with Clause 11.3 below.

### **11.2 Application of the Incurrence Test**

11.2.1 The Incurrence Test shall be applied in connection with:

- (a) the incurrence of Financial Indebtedness which requires that the Incurrence Test is met; or
- (b) a Restricted Payment being made which requires that the Incurrence Test is met, as specified in Clause 12.1.2,

until and including the Final Redemption Date.

### **11.3 Calculation and adjustment**

11.3.1 The figures for EBITDA and Net Interest Expenses, for purposes of the Incurrence Test, to be adjusted so that:

- (a) entities acquired or disposed of by the Group during the Test Period and up until and including the date of the Incurrence Test shall be included or excluded (as applicable), pro forma, for the entire Test Period; and
  - (xxvii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Test Period.

11.3.2 The calculation of Net Debt shall include the Restricted Payment or the new Financial Indebtedness (save for any Refinancing Debt) (as applicable), provided such Financial Indebtedness is an interest bearing obligation to be included in Net Debt (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Debt).

## **12 GENERAL UNDERTAKINGS**

### **12.1 Distribution**

12.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity

with repayment to shareholders, (iv) repay principal or pay interest under any Subordinated Loans, or (iv) make any other similar distributions or transfers of value (*Sw. värdeöverföringar*) to the Issuer's or its Subsidiaries' direct or indirect shareholders or to any Affiliates of the Issuer other than a Group Company (paragraphs (i)-(iv) each being a "**Restricted Payment**").

12.1.2 Notwithstanding the above set out in Clause 12.1.1, if a Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, a Restricted Payment may be made by:

- (a) any of the Subsidiaries which is not directly or indirectly wholly-owned by the Issuer, provided that it is made to all its shareholders on a pro rata basis;
- (b) the Issuer in order for the Issuer to manage, by purchasing its own shares, its long term incentive program up to SEK 50,000,000 (or its equivalent in other currencies) per financial year; or
- (c) the Issuer, provided that the Incurrence Test (calculated on a pro forma basis including the relevant Restricted Payment) is met.

## **12.2 Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group, which falls outside the scope of the business objective set forth in the Issuer's articles of association as of the First Issue Date.

## **12.3 Disposals of assets**

The Issuer shall not, and shall procure that no Material Company shall, sell or otherwise dispose of shares in any Material Company or of all or substantially all of its or that Material Company's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on terms and conditions customary for such transaction and at fair market value and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

## **12.4 Compliance with laws etcetera**

The Issuer shall, and shall procure that its Subsidiaries, (i) comply in all material respects with all laws and regulations applicable from time to time, and (ii) obtain, maintain, and in all material respects comply with, any authorisation, approval, licence or other permit required for the business carried out by the respective Group Company.

## **12.5 Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any guarantee or Security over any of its/their present or future assets, provided that the Issuer and the Group Companies have a right to retain, provide, prolong or renew any Permitted Security.

## **12.6 Financial Indebtedness**

The Issuer shall not, and shall procure that none of the Subsidiaries will, incur any new Financial Indebtedness, or maintain or prolong any existing Financial Indebtedness, provided however that

the Group Companies have a right to incur, maintain, refinance and prolong Financial Indebtedness which constitute Permitted Debt.

#### **12.7 Dealings with related parties**

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

#### **12.8 Mergers and demergers**

12.8.1 The Issuer shall not, and shall and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company, provided that the Issuer is the surviving entity.

12.8.2 Notwithstanding, Clause 12.8.1 above, any Group Company may be demerged, merged, amalgamated or consolidated into a company which is not a Group Company as long as such amalgamation, demerger, merger or consolidation and the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. For the avoidance of doubt, any such amalgamation, demerger, merger or consolidation involving the Issuer, where the Issuer is not the surviving entity, is not permitted.

#### **12.9 Admission to trading**

12.9.1 The Issuer has the intention to list the Bond Loan represented by the Initial Bonds and any Subsequent Bonds (as applicable) on the corporate bond list of Nasdaq Stockholm within thirty (30) days after the First Issue Date, or in respect of Subsequent Bonds, following the relevant subsequent issue date. For the avoidance of doubt, failure to complete listing within the intended aforementioned timeframe shall not constitute an Event of Default.

12.9.2 Following an admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Bonds are outstanding, but no 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.

#### **12.10 CSD related undertakings**

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

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

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.

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

### **13 ACCELERATION OF THE BONDS**

13.1 The Agent is entitled to and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - 1. is caused by technical or administrative error; and
  - 2. is remedied within five (5) Business Days from the due date;
- (b) the Issuer 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 (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
    - 3. is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) (i) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) or (ii) any commitment for any Financial Indebtedness of a Group Company is cancelled or suspended by a creditor as a result of an event of default (however described) provided that no Event of Default will occur under this paragraph (c) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 50,000,000 (or its equivalent in other currencies);
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders;
- (e) any Material Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (f) any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on

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

- 13.2 The Agent may not accelerate the Bonds in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 13.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 13.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 13.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- 13.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.7 If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.8 In the event of an acceleration of the Bonds in accordance with this Clause 13, the Issuer shall redeem all Bonds at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

## **14 DISTRIBUTION OF PROCEEDS**

- 14.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the

Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.4, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.16;

- (b) (b) *secondly*, in or towards payment *pro rata* of any cost and expenses incurred by a committee arranged by the Bondholders that have not been reimbursed by the Issuer;
- (c) (c) *thirdly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (d) (d) *fourthly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (e) (e) *fifthly*, 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 (e) above shall be paid to the Issuer.

- 14.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Bondholder 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 Bonds constitute escrow funds (*redovisningsmedel*) and must be held on a separate account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 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 Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## **15 DECISIONS BY BONDHOLDERS**

- 15.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's

opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- 15.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 15.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 15.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 16.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.1, in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with a notice or the communication. The Issuing Agent shall provide the Issuer with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 15.7 Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder,:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' 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 Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded.

- 15.8 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) the issue of any Subsequent Bonds after the Issue Date, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 2,000,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
- (b) a change to the terms of any of Clause 2.1, 2.4 and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15;
- (f) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (g) a mandatory exchange of the Bonds for other securities; and
- (h) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

15.9 Any matter not covered by Clause 15.8 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 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), (b) or (c)), or an acceleration of the Bonds.

15.10 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.8, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

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

15.11 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.1) 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 Bondholders' consent. The quorum requirement in Clause 15.10 shall not apply to such second Bondholders' Meeting or Written Procedure.

15.12 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

15.13 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 15.14 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.15 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Bondholders.
- 15.16 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.17 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies per the Record Date for voting, irrespective of whether such person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company.
- 15.18 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **16 BONDHOLDERS' MEETING**

- 16.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Bondholders 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 Bondholders' 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 Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 16.4 The Bondholders' 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 Bondholders' Meeting as the Agent may deem

appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **17 WRITTEN PROCEDURE**

- 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 Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Record Date 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 Bondholder 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 Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 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 15.8 and 15.9. have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clauses 15.8 and 15.9, 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 Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document or any other document relating to the Bonds, provided that:
- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders as a group;
  - (b) the Agent is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (c) such amendment or waiver is required by any applicable law, a court ruling or a decision by a relevant authority; or
  - (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*) and the Agent has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 18.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Bondholders 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 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 19.1.2 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

- 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 all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- 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 Bondholders in accordance with the Finance Documents.

- 19.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

- 19.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

- 19.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 19.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver 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*).
- 19.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Rules applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. 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.
- 19.2.9 The Agent shall review each Compliance Certificate delivered to it to determine that it meets the requirements as agreed between the Issuer and the Agent.
- 19.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 19.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 19.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

19.2.13 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.12.

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

19.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.

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 or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

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 Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

19.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.

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 Bondholders 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 Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

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 Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

19.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter

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 earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 19.4.4 (ii) having lapsed.
- 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 Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 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 agree 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 Bonds.
- 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.
- 20.3 The Issuing Agent shall enter into agreements with the CSD and comply with such agreement and the CSD Rules applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Terms and Conditions / Finance Documents.

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

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Rules and the other regulations applicable to the Bonds.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Regulation (EU) No

909/2014 and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

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

- 22.1 A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations or liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 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 19.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.12 before a Bondholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due by the Issuer to some but not all Bondholders.

## **23 PRESCRIPTION**

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

## **24 NOTICES AND PRESS RELEASES**

### **24.1 Notices**

- 24.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address specified on its website [nordictrustee.com](http://nordictrustee.com) . on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1, or, in case of email, when received in readable form by the email recipient.

24.1.3 Any notice pursuant to the Finance Documents shall be in English.

24.1.4 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **24.2 Press releases**

24.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.4 (*Early redemption due to illegality (put option)*), 9.5 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (put option)*), Clauses 13.4, 15.18, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Bonds or the Issuer contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

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

25.2 The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

25.3 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.

25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26 GOVERNING LAW AND JURISDICTION**

26.1 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.

26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

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We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date: 11 March 2021

**Mekonomen Aktiebolag (publ)**  
as Issuer

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Name:

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Name:

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We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

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

---

Name:

## **ADDRESSES**

### **Issuer**

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