

This prospectus was approved by the Swedish Financial Supervisory Authority on 7 November 2024 and is valid for 12 months after the date of the approval of the prospectus, provided that it is completed by any supplement required according to the Prospectus Regulation. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply after the expiration of the period of validity of the prospectus.



# **Sensys Gatso Group AB (publ)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF**

**EUR 30,000,000**

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2024/2028**

**ISIN: SE0022727095**

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Sensys Gatso Group AB (publ), Swedish reg. no. 556215-4459 (“**Sensys Gatso**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries (each a “**Group Company**”), unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of the Issuer's EUR 30,000,000 senior unsecured callable floating rate bonds 2024/2028 with ISIN SE0022727095 (the “**Bonds**”), issued under a framework of EUR 60,000,000, of which EUR 30,000,000 was issued on 13 September 2024 (the “**First Issue Date**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**” and the “**Bond Issue**”, respectively), on the corporate bond list on Nasdaq Stockholm Aktiebolag (“**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. The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Bond Issues equals EUR 60,000,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) 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 Regulation (EU) 2017/1129 of the European Parliament and of the Council 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 Swedish Financial Supervisory Authority 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 admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand 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 “**U.S. 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 delivered 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 U.S. Securities Act), except for “Qualified Institutional Buyers” within the meaning of Rule 144A under the U.S. Securities Act.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer's auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, any references to “**SEK**” refer to Swedish Kronor and any reference to “**EUR**” means euro.

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

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merit and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable 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 Swedish Financial Supervisory Authority's website ([www.fi.se](http://www.fi.se)) and the Issuer's website ([www.sensysgatso.com](http://www.sensysgatso.com)).

**TABLE OF CONTENTS**

RISK FACTORS ..... 4

THE BONDS IN BRIEF ..... 13

DESCRIPTION OF THE ISSUER AND THE GROUP ..... 17

OWNERSHIP STRUCTURE ..... 22

BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITORS ..... 23

SUPPLEMENTARY INFORMATION ..... 25

FINANCIAL INFORMATION ..... 26

TERMS AND CONDITIONS OF THE BONDS ..... 27

ADDRESSES ..... 77

## RISK FACTORS

---

*The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Issuer, the Group and the Bonds and which are corroborated by the content of this Prospectus.*

*The risk factors presented below are categorized as “Risk factors specific and material to the Issuer and the Group” or “Risk factors specific and material to the Bonds” on the basis of whether they pertain to the Issuer and the Group or the Bonds. As regards risk related to the Issuer and the Group, the manner in which the Issuer and the Group are affected by each risk factor is, when the risk factor is not quantified, illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality.*

### RISK FACTORS SPECIFIC AND MATERIAL TO THE ISSUER AND THE GROUP

#### Risks relating to the Group’s business and industry

##### ***Risks related to competition***

Sensys Gatso is dependent on a number of factors to maintain and strengthen its market position, including its ability to deliver an attractive customer and partner offering and adapt its services in line with the wishes and needs of customer and market trends, such as the increasing use of digital solutions and automation technology.

Within its industry, the Group faces competition from both smaller, local companies as well as larger international players in all markets where the Group operates. Companies in the market compete among other things by the quality of the service and hardware provided, price, ability to meet customer-specific solutions, maintenance and service level and type of traffic enforcement targeted. There is a risk that the competitive landscape may not develop in the direction predicted by the Group, e.g. that the Group’s competitors implement new initiatives or develop more competitive or innovative services and hardware than those of the Group. In the future, the Group could also face competition from competitors present in geographical markets that the Group intends to expand into or from competitors who are currently not competing with the Group, e.g. that a newcomer to the industry targets a niche enforcement type and thereafter broadens their service offering to areas where the Group is active.

There can be no assurance that the Group’s solutions will continue to successfully compete against current or new entrants to the markets, especially if the Group would fail to maintain one or more of the factors that define the Group’s competitive advantages. If any of the abovementioned risks were to materialise, it could have a negative impact on the Group’s market share, the demand for the Group’s products and services and cause reduced future sales volumes, all of which could have a material adverse effect on the profits and cash flow of the Group and the Issuer’s ability to make payments under the Bonds.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

##### ***Risks related to growth strategy and geographical expansion***

The Group has two reportable segments: System Sales and Managed Services. During 2023, approximately 69 per cent. of the Group’s net sales were attributable to the System Sales segment, which comprises the manufacturing and assembly of enforcement systems consisting of hardware and embedded software, mainly to specific orders which are payable upon delivery, as well as project related service and maintenance thereafter. The segment is thus heavily project-dependent and subject to volatility in sales, which can materially impact the Group’s profitability from quarter to quarter. As part of its strategy, Sensys Gatso aims to concentrate on its recurring revenue streams through growth of the Managed Services segment, in order to have a more consistent and increasing revenue stream in addition to System Sales. The Managed Services segment comprises a Business

Process Outsource business model, where the Group designs, builds, owns and operates the enforcement equipment. Revenue in the segment is generated through service fees which can be based on citation volumes or fixed fees. The business model entails significant capital expenditures upfront for designing and building the enforcement equipment at customer-defined locations. An increased focus on the Managed Services segment thus entails a higher risk that the Group is not able to recoup its initial capital expenditures through future revenues generated by service fees, which could have a material adverse effect on the Group's results of operations and financial position and the Issuer's ability to make payments under the Bonds. Furthermore, sales in the Managed Services segment are predominantly derived from the United States of America, which entails a higher risk of the Group becoming involved in litigation and disputes, see "*Risks related to legal disputes*".

In line with the Group's strategy, the Issuer aims to enter into new markets as well as expand its operations in the United States of America and the Middle East. Expansions into new markets, where the Group lacks a proven track record, may be difficult to launch and the Group may be unable to achieve its goals and manage expectations, resulting in a lower growth and profitability than expected. Entry into new markets, as well as expansion of the Group's operations into new states in the United States of America, may also entail significant difficulties due to the growing number of legal and regulatory requirements as well as higher financial, legal and tax costs arising from exposure to additional jurisdictions, see "*Legal and regulatory risks*". Further expansions of the Group's operations in the Middle East will entail an increased exposure to the ongoing military conflict in Gaza, which could have a material adverse effect on the Group's business and profitability in the region, see "*Risks related to macroeconomic factors*". Geographical expansions may also expose the Group to new risks, such as trade restrictions, tariffs, quotas and other restraints. Any failure with respect to launching such expansions may entail that the Group does not reach its growth targets.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

#### ***Risks related to macroeconomic conditions***

Macroeconomic factors, such as ongoing military conflicts in Ukraine and the Middle East, the continued high inflation during 2023 and high interest rates put in place by central banks to combat such inflation, are affecting business globally and are expected to continue to do so for some time to come in the form of reduced production rates, disrupted value and logistics chain, lower product demand and purchasing power, increased production costs, increased financing costs, volatility on the capital markets etc., all of which could have general negative effect on the economy as a whole and thus negatively impact the operations of the Group. The Group is exposed to the conflict in Gaza due to its operations in the Middle East, concentrated around the United Arab Emirates and Saudi Arabia. An escalating or prolonged conflict could thus have a negative impact on the Group's business in the region. Whereas the Group has no direct exposure to the military conflict in Ukraine, the increased international tension and international sanctions enacted as a result thereof, as well as the potentially increased volatility on the capital markets that such conflicts may cause, may negatively impact the Group's operations and revenue. Additionally, the high inflation environment during the recent year has resulted in higher costs for employees, which the Group has not been able to fully pass on to its customers due to the lack of indexation clauses in certain of the Group's customer agreements as well as pricing being preapproved in tender processes. The rising interest rates has also increased the Group's interest costs as the interest rate on the majority of the Group's debt is variable. Macroeconomic factors of different magnitudes, such as general economic developments, inflation and interest rates, are likely to continue to affect the financial and political conditions in the markets in which the Group operates and may have a material negative impact on the Group's operations and financial position.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be low to medium.

#### ***Risks related to technological development***

The Group's activities are technology-based and consist of providing automated traffic enforcement solutions to its customers. The market for the Group's offering is characterised by rapid developments in technology and the Group prioritises research and development in order to maintain and strengthen its market position. During 2023, MSEK 26.5 was capitalized for the development of FLUX, a new modular enforcement system, and other solutions. The Group is dependent on being able to keep up with the continued technological development in the areas that affect the Group's solutions to meet its customers' changing demands and to remain competitive. For

example, the Group has identified the possibility of utilising newer technologies, such as artificial intelligence, to enhance its traffic enforcement solutions. There is a risk that the Group fails in developing and investing in such new technologies and thus may not be able to successfully or efficiently integrate the technologies into its offering. Furthermore, if the Group is unable to detect technological trends and changing technological requirements in time to adapt its offering, there is a risk that the Group will be unable to satisfy its customers' future demands, which in turn entails a risk of customer loss and a decreased ability to attract customers, thereby having a negative impact on the Group's future sales.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

### ***Risks related to public procurement and public sector contracts***

All of the Group's end customers are, directly or indirectly through partnerships, governmental entities such as states, municipalities and cities. Exposure to the public sector means that the demand for the Group's products and services may be affected by political or fiscal decisions concerning increased or decreased public investments and public procurement rules. Thus, the Group's performance is vulnerable to economic and political shifts that influence government spending and priorities, potentially reducing the availability of contracts or modifying their terms unfavourably. Reduced appropriations for automated traffic enforcement can consequently have a significant negative impact on the Group's revenues. In addition, many of the Group's customers in the public sector are obliged by law to purchase products and services through public procurement procedures. Thus, a significant part of the Group's revenue is reliant on contracts obtained through public procurement processes, which entails a higher risk that the Group will not be able to retain its contracts at the end of the contract period, thereby losing the customer to a competitor. Tender documents may also impose requirements on e.g. type approvals, quality certifications, environmental certifications or other certifications for the Group's products or personnel. In the event that the Group fails to obtain or maintain such certifications, there is a risk that the Group will not win public procurements where such requirements are set. There is also a risk that the Group will be affected by other tenderers requesting a review of a procurement that the Group has won due to actual or alleged procedural errors in the procurement procedure. Such reviews can, in addition to leading to costs for e.g. fees to advisers, lead to a new procurement procedure being initiated and to the Group losing the previously awarded contract. If any of the above risks were to be realised, or if the Group was to lose public procurement in the future, it could have a material adverse effect on the Group's business, results of operation, financial condition or prospects and ability to make payments under the Bonds.

Due to applicable tender rules, certain terms of public sector contracts, such as pricing terms, contract duration and use of subcontractors, are less flexible and more onerous for the Group compared to private sector contracts, which increases the overall risk that the Group assumes in relation to its customer contracts, and may lead to the Group's initial assumptions of the risk and profitability of the contract proving to be inaccurate over the full contract term. An excessive focus on price as the relevant award parameter for public sector contracts could also impair the Group's profitability. Additionally, due to its high exposure to the public sector, the Group is sensitive to brand and reputational risks. The Group's reputation may be affected by, inter alia, rumours, negative publicity, disputes, quality deficiencies or other factors that could lead to the Group no longer being regarded as a competent and reputable market player by public authorities. Reputational damage may therefore adversely affect the Group's ability to retain and secure new public sector contracts.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be medium to high.

### ***Risks related to disruption in IT and network failure***

The Issuer relies on operational processes and IT systems to conduct its business, including performing and managing enforcement platforms for the Group's customers, technological development, manufacturing and servicing equipment, producing timely financial and management reports and maintaining accurate records. There is a risk that the Issuer's processes and systems may not operate as expected, may not achieve their intended purpose or may be damaged or interrupted by increased usage, human error, unauthorised access, natural hazards or disasters or similar disruptive events. Any failure of the IT and communications systems and/or third party infrastructure on which the Issuer relies could result in costs and disruption to both the Issuer and its customers, which could adversely affect the Group's reputation, business, results of operations or financial condition.

In addition, computer and data processing systems are subject to malfunction and interruptions (including those caused by equipment damage, power failures, computer viruses and a variety of other hardware, software and network problems). Although the Issuer has systems back-up procedures in place, a significant or widespread malfunction or interruption of one or more of the computer or data processing systems could adversely affect the Group's ability to continue its operations efficiently and affect the availability of services, particularly in the country, region or functional area in which the malfunction occurs, and a wider or sustained disruption to the Group's business cannot be excluded. In addition, it is possible that a malfunction of the data system security measures could allow unauthorised persons to access sensitive business or customer data. Any such malfunction or disruption could cause economic loss for which the Issuer could be held liable. A failure of the Issuer's IT systems could also result in damage to the Issuer's reputation, which could harm its business. Any of these developments, alone or in combination, could have a material adverse effect on the Issuer's business and results of operations.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be medium to high.

### ***Risks related to recruiting and retaining management and other key personnel***

Sensys Gatso's future performance is affected by the knowledge, experience and commitment of its management and other key individuals. The Group is therefore dependent on its ability to attract and retain employees with relevant industry experience and skills, for example within areas such as software development, technical development and assembly. The Group may experience difficulties in attracting, hiring, developing and retaining a sufficient number of employees, which could impair its business operations and ability to execute its growth plans. Competition for qualified personnel is increasing and the Group may need to increase its remuneration levels to attract and retain qualified personnel, which would increase costs and negatively affect the Group's results of operations. There is particularly tough competition for recruitment of qualified personnel with expertise within software and technical development, and the Group is therefore more sensitive to loss of such key personnel. Additionally, due to the highly competitive market for such employees, they are typically more difficult to retain than other employees, which increases the risk of losing such employees to competitors or other employers.

Furthermore, the process of hiring, onboarding and training qualified personnel is generally costly and time-consuming and there is a risk that the Group is not successful in integrating new personnel in a timely manner to meet the needs of the business. Loss of key personnel or failure to recruit new personnel with sufficient knowledge and experience could negatively affect the Group's business operations and lead to revenue shortfall.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be low.

### ***Risks related to supply of components***

For its hardware production, the Group is dependent on the access to components such as printed circuit boards, cameras, video and computer boards, and radars. The availability and prices of such components are subject to fluctuations globally as well as regionally, due to, inter alia, impacts of pandemics, changes in supply and demand, transport costs, regulations, trade restrictions, and the general economic environment. Increased prices affect the purchase costs for the Group, which the Group might not be able to pass along to its customers, in whole or in part, which could negatively affect the Group's results of operations. While many of the components used in the Group's hardware solutions are off-the-shelf components which may be sourced from a variety of suppliers, the Group is dependent on a single supplier for certain key components in one of its hardware series. If the Group loses its relationship with this supplier or the supplier is not able to meet the Group's demand of the key components, the Group may not be able to replace the supplier which in turn could have an adverse effect on the Group's sale and service of the relevant hardware. Other shortages in the supply of components could also negatively affect the Group's ability to maintain its production volume, which in turn can negatively affect the Group's business operations and results of operations.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

## **Legal and regulatory risks**

### ***Risks related to regulatory compliance and change***

Due to the nature of the Issuer's activities and its presence in a number of different geographical markets, including the United States of America, Europe, Middle East and Australia, the Issuer is subject to a variety of laws and regulations that impact the Group's operations. Different markets have different laws and regulations to which the automated traffic enforcement equipment supplied by the Group must adhere. Changes in such laws and regulations may limit the Issuer's ability to provide hardware and services to its customers or increase the cost thereof. The Group is present in developing countries as well as in decentralized countries that have state or municipal laws and regulations, such as in the United States of America, where the risk for changes in laws and regulations typically is higher.

In many jurisdictions, Sensys Gatso is also required to obtain so-called type approvals for its equipment, which is a set of regulatory and technical requirements that the equipment must meet. Independent certification bodies will issue type approval certifications after determining that the equipment complies with the applicable legislation. There is a risk that the Company does not obtain, or loses, type approvals or other certifications that are necessary for the sale of its equipment in the various jurisdictions in which the Group operates, which could prevent the Group from selling its products and services in the relevant market and thereby have a material adverse effect on the Group's sales and ability to retain and attract new customers.

The Group is also subject to a variety of laws and regulations pertaining to, inter alia, employment, competition, business practices, foreign ownership and government participation in the economy. Changes in such laws and regulations in the jurisdictions where the Group operates may negatively affect the Group's ability to successfully implement its business strategy. Furthermore, the Group is required to allocate resources to ensure compliance with changing laws and regulations in different jurisdictions. The Group's activities may also be negatively affected due to political risks and uncertainties.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be low to medium.

### ***Risks related to legal disputes***

The Group may from time to time become involved in disputes and administrative proceedings in the ordinary course of its business. The risk of dispute involvement may also increase in the future as the Group intends to expand its presence in markets with frequent litigation, such as the United States of America. If customers, suppliers, employees or others who are dissatisfied with the Group's products and services make claims against the Group, it may lead to judicial and administrative proceedings in relation to customer, contract and labour disputes, government audits and other disputes and tort claims. There is a risk that such proceedings will incur legal costs and other expenditures for the Group that are not covered by insurance. Involvement in such proceedings may also disrupt the Group's normal operations and cause negative publicity for the Group. The financial, reputational and legal outcomes of material disputes with customers, suppliers, employees or others are uncertain and a disadvantageous outcome of such disputes or proceedings would have a material adverse effect on the Group's business, prospects and results of operations.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

### ***Risks related to processing of personal data***

The Group processes a large volume of personal data, including data of its employees and data collected in connection with traffic enforcement. This includes the Group's offering of managing and operating cloud-based solutions for its customers, which contain large amounts of data. Certain data also comprise sensitive information, such as photos, license plates and other personal data processed in connection with traffic violations. The Group's operations are accordingly subject to data protection laws in multiple jurisdictions, including the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 ("GDPR"), which sets forth requirements for the collection and handling of personal data in the EU. Compliance with all such laws, rules and regulations is complex and costly. Failure by the Group to comply with applicable data protection laws, regulations and rules, including failures or breaches of the IT systems utilised by the Group to process



personal data or unsatisfactory data protection practices, could result in negative publicity and damage to the Group's reputation, liability claims from customers or others affected by unlawful data processing by the Group, and loss of customers and revenue. It may also result in significant administrative sanctions, where sanctions for non-compliance under GDPR could be as high as 4 per cent of the Group's global turnover.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be low to medium.

### ***Tax risks and changes in tax legislation***

The Group's operations are mainly conducted in Sweden and the Netherlands, but also through subsidiaries in several other jurisdictions. The Issuer conducts its business in accordance with its interpretation of the applicable tax rules and applicable laws, tax treaties, regulations, case law and the requirements of the tax authorities. However, there can be no assurance that the Group's interpretation thereof is correct. In addition, the Group's tax position, both with respect to prior, current and future years, may change as a result of decisions by local tax authorities or changes in laws or regulations (including applicable tax rates or case law in the jurisdictions in which the Group operates). This could result in increased future tax expense for the Group, as well as costs associated with interpreting and adjusting to potential changes in tax laws. As a result, any change in tax laws or regulations, potentially with retroactive effect, could have a material adverse effect on the Issuer's liquidity, results of operations or financial condition.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be low.

## **Financial risks**

### ***Risks related to currency fluctuations and transaction and translation exposure***

Currency risk refers to the fluctuations in exchange rates having a negative impact on the Group's income statement, balance sheet and/or cash flow. Currency risk arises when future business transactions, or reported assets or liabilities, are expressed in a currency other than the Group's functional currency (SEK).

In the Group's international operations, some customers pay in their local currency, which means that the Group is exposed to so-called transactional currency risks. Transactional currency risk also arises in conjunction with the import of raw materials and components in a currency that is not the Group's functional currency.

In addition to SEK, the Group reports net sales in EUR, USD and AUD. The Group's consolidated net sales are therefore affected by changes in the exchange rates of the currencies of the countries other than Sweden in which the Group's companies operate, primarily the EUR/SEK exchange rate. The Issuer is thus exposed to risks related to the translation into SEK of the income statements and net assets of foreign subsidiaries. The translation effect that may arise from the translation of the subsidiaries' results into SEK may have a material adverse effect on the Group's net income and results of operations, as well as on the Group's future cash flow and market value. The translation effect that may arise from the translation of the subsidiaries' net assets into SEK may have a material adverse effect on the Group's equity.

The value of the SEK relative to EUR and other currencies has varied significantly in the past and future fluctuations may be disadvantageous for the Group and could have a material adverse effect on the Group's results of operations and financial position.

The Issuer considers that the probability of the above risks occurring is medium. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

### ***Risks related to external financing and liquidity***

The Group is dependent on its ability to maintain necessary external financing from time to time in order to fund capital and operational expenditures. The Group's primary source of external financing has historically been through different credit facilities and external debt financing from banks. Following the issue of the Bonds, the Group's external financing primarily consists of the Bonds. The Group may in the future have a need for further external financing for its operations and there are no assurances that the Issuer's shareholders will provide the Group with additional equity contributions or loans and there is a risk that the Group will not be able to incur

further debt financing at reasonable costs or at all. Lack of sufficient financing could lead to the Group not being able to carry out necessary or appropriate investments in order to pursue existing or future business strategies, take advantage of future business opportunities or respond to competitive pressures which in turn would have a negative impact on the Group's future profitability. Even if the Group will be able to incur future debt financing, there is a risk that such financing can only be incurred at a high cost, especially in times of higher market interest rates, which could have a negative impact on the Group's ability to expand its business at a desired rate or continue to fund its ongoing operations.

The Issuer is subject to payment obligations pursuant to its debt financing, comprising interest and principal payments. The Issuer's ability to make payments in accordance therewith is reliant on its future ability to generate cash and cash equivalents. Furthermore, the Group's financing agreements contain undertakings to achieve certain financial key ratios, such as Debt Service Cover Ratio, solvency, as well as certain restrictive conditions with respect to, for example, further loans, restrictions on acquisitions and divestments and pledging of assets. Such undertakings and conditions may restrain the Group from growing its business in accordance with its objectives and limit the Group's ability to secure additional capital or financing through new loans or the sale of assets.

If the Issuer breaches the undertakings or conditions of its financing agreements, or cannot generate a sufficient cash flow to make interest payments and amortisations in accordance with its obligations, it may result in a breach of contract, which may lead to parts or the entirety of the Group's outstanding loans becoming terminated and immediately payable.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be high.

### ***Counterparty credit risks***

Credit risk is the risk that a counterparty is unable to meet its contractual financial obligations. The Group earns the majority of its revenues from system sales where invoicing predominantly takes place upon delivery of the system to the customer, at which point the Group has already made significant financial commitments. As of 30 June 2024, the maximum credit risk in respect of trade receivables amounted to MSEK 182 and provisions for doubtful receivables as of the same date amounted to MSEK 17. While the Group takes measures to limit the credit risk, e.g. by analysing and monitoring the credit worthiness of existing and potential customers as well as obtaining advance payments or letters of credit in certain circumstances, there is a risk that the Group is not successful in managing its credit risks. If customers representing a large share of the Group's sales were to not pay the Group's receivables on time or at all, it would entail major credit losses for the Group which would have a direct material adverse effect on the Group's cash flow and liquidity.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be medium.

### ***Interest rate risks***

The Group's interest rate levels are affected by underlying market rates which have historically fluctuated due to, and are in the future likely to be affected by, a number of different factors such as macroeconomic conditions, inflation expectations and monetary policies. Particularly, rising inflation during 2021, 2022 and 2023 has led central banks to rapidly increase their reference interest rates, which has resulted in higher borrowing costs. As of 30 June 2024, the Group's interest-bearing liabilities amounted to MSEK 146. As the Group's loans, including the Bonds, mainly accrue interest at variable rates (EURIBOR), changes in interest rates can lead to increased interest expenses for the Group, which could have a material adverse effect on the Group's cash flow and ability to make payments under the Bonds. By way of example, if the 3-month EURIBOR would increase by 100 bps, the Group's interest expenses on interest-bearing liabilities as of 30 June 2024 would increase by approximately MSEK 1.46. In addition, if the Group's credit worthiness would decrease in the future, it could affect the level of interest rates as potential lenders might demand an additional credit risk premium on the interest rates charged to the Group.

The Issuer considers that the probability of the above risks occurring is low. If the risks were to materialise, the Issuer considers the potential negative impact to be low.

## **RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS**

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

#### ***Dependence on subsidiaries and joint ventures***

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries and joint ventures. Accordingly, the Issuer 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 Issuer's subsidiaries and joint ventures are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries and joint ventures to make such payments to the Issuer is subject to, among other things, the availability of funds.

Should the value of the business conducted in the subsidiaries or the associated companies decrease, and/or should the Issuer not receive sufficient income from its subsidiaries and associated companies, an investor's ability to receive payment under the Terms and Conditions may be adversely affected. The Issuer considers the probability of the risk occurring to be low. If the risk were to occur, the Issuer considers the potential negative impact to be high.

#### ***Interest rate risks and benchmarks***

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest. The Bonds bear a floating rate interest of EURIBOR plus a margin *per annum* and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that changes in the general interest rate levels significantly affect the market value of the Bonds.

The determining interest rate benchmarks, such as EURIBOR has been subject to regulatory changes such as 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"). The implementation of the BMR will lead to that certain previously used benchmarks will be discontinued, leading to that, among others, existing financing arrangements will have to be renegotiated or terminated. There is a risk that also EURIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Bonds. Increased or altered regulatory requirements and risks associated with the BMR (as amended) involve inherent risks, as the effects cannot be fully assessed at this point in time. There is a risk that developments in relation to EURIBOR cause volatility in EURIBOR, which would affect the interest rate for the Bonds. Should EURIBOR be discontinued, the Terms and Conditions provides for an alternative calculation of the interest rate for the Bonds. There is a risk that such alternative calculation results in interest payments less advantageous for the bondholders or that such interest payment do not meet market interest rate expectations.

### **Risks related to the Bondholders' rights and representation**

#### ***Unsecured obligations***

The Bonds constitute unsecured debt obligations of the Issuer and no present or future shareholder or subsidiary of the Issuer will guarantee the Issuer's obligations under the Bonds. If the Issuer becomes subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Furthermore, following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Issuer for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment pro rata with other unsecured creditors.

The Group has, as part of its financing, incurred debts to credit institutions and other lenders, and security in the form of pledges and guarantees have been provided in relation thereto. Such secured loans normally constitute a preferential claim on the relevant Group company. Subject to the provisions set out in the Terms and Conditions, the Issuer or any Group company may seek further financing in which case further pledges and/or guarantees, as part of such new loans, may be provided. In addition, the Issuer may retain, provide or renew security over certain

of its current or future assets to secure, inter alia, bank loans, either via the Issuer itself or any other Group company, with security interests normally constituting a preferential claim on the borrower. No present or future shareholder or subsidiary of the Issuer will guarantee the Issuer's obligations under the Bonds.

All of the above could have a negative impact on the Bondholders' recovery under the Bonds and there is a risk that a Bondholder loses the entire or parts of its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation.

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

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, certain subsidiaries or other associates of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

## **Risks related to the admission of the Bonds to trading on a regulated market**

### ***Risks related to admission to trading and liquidity***

The Issuer has undertaken to ensure that the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm within a certain time period as stipulated in the Terms and Conditions (or if such admission to trading is not possible to obtain or maintain, admitted to trading on another regulated market). However, there is a risk that the Bonds will not be admitted to trading.

Further, even if securities, including the Bonds, are admitted to trading on the relevant market, there is not always active trading in the securities. Hence, and considering that the nominal amount of each bond is relatively high (EUR 100,000), there is an intermediate risk that the market for trading in the Bonds will be illiquid even if the Bonds are admitted to trading. The above risks may result in that the Bondholders cannot 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. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading.

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, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

## THE BONDS IN BRIEF

---

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all detail of the Bonds. Readers should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions of the Bonds included under Section “*Terms and Conditions of the Bonds*”.

### General

---

<b>Issuer</b>	Sensys Gatso Group AB (publ), Swedish reg. no. 556215-4459.
<b>Resolutions, authorizations and approvals</b>	The Issuer’s board of directors resolved to issue the Bonds on 29 August 2024.
<b>The Bonds offered</b>	EUR 30,000,000 in an aggregate nominal amount of senior unsecured callable floating rate bonds due 13 September 2028.
<b>Nature of the Bonds</b>	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ).
<b>Number of Bonds</b>	As of the date of this Prospectus, 300 Bonds have been issued. A maximum of 600 Bonds may be issued under the Terms and Conditions. Only Bonds that have been issued at the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
<b>ISIN</b>	SE0022727095.
<b>First Issue Date</b>	13 September 2024.
<b>Price</b>	The EUR 30,000,000 Bonds issued on 13 September 2024 were issued at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
<b>Interest Rate</b>	Subject to any replacement of EURIBOR in accordance with Clause 20 ( <i>Replacement of Base Rate</i> ) of the Terms and Conditions, Interest on the Bonds is paid at a rate equal to (i) three (3) months EURIBOR plus (ii) 4.75 per cent. <i>per annum</i> .
<b>Use of benchmarks</b>	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to EURIBOR.
<b>Interest Payment Date</b>	Quarterly in arrears on 1 January, 1 April, 1 July and 1 October each year (with the first Interest Payment Date being on 1 October 2024 and the last Interest Payment Date being the Final Redemption Date).
<b>Final Redemption Date</b>	13 September 2028.
<b>Nominal Amount</b>	The initial nominal amount of each Bond is EUR 100,000 and the minimum permissible investment upon issuance of the Bonds was EUR 100,000.
<b>Denomination</b>	The Bonds are denominated in EUR.
<b>Status of the Bonds</b>	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all other 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.

#### **Use of Proceeds**

The Net Proceeds from the Initial Bond Issue and any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group, including acquisitions, repayment of the Existing Shareholder Loans and repayment of Bank Facilities.

### **Call Option**

---

#### **Call Option**

The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day falling before the Final Redemption Date (being 13 September 2028), at the applicable Call Option Price together with accrued but unpaid Interest, in accordance with Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*) of the Terms and Conditions, the Call Option Price being:

- a) the Make-Whole Amount if the call option is exercised on or after the First Issue Date up to (but excluding) the First Call Date;
- b) 102.375 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling thirty (30) months after the First Issue Date;
- c) 101.78125 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but excluding) the date falling thirty-six (36) months after the First Issue Date;
- d) 101.1875 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty-six (36) months after the First Issue Date up to (but excluding) the date falling forty-two (42) months after the First Issue Date;
- e) unless paragraph (f) below applies, 100.59375 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date up to (but excluding) the Final Redemption Date; or
- f) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-five (45) months after the First Issue Date up to (but excluding) the Final Redemption Date, provided that the redemption of the Bonds is financed in whole or in part with a new Market Loan.

### **Put option**

---

#### **Put Option**

Upon a Change of Control Event, a De-listing Event or a Listing Failure occurring, each Holder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event, in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control Event, a De-*

*listing Event or a Listing Failure (put option)*) of the Terms and Conditions.

**Change of Control Event**

A Change of Control Event means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer; or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**De-listing Event**

A De-listing Event means a situation where (i) the shares in the Issuer are not listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market, (ii) trading in the shares in the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days, or (iii) once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, the Bonds are no longer admitted to trading thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

**Listing Failure**

A Listing Failure shall be deemed to have occurred if the Initial Bonds have not been admitted to trading on Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the First Issue Date or Subsequent Bonds issued in any Subsequent Bond Issue have not been admitted to trading on Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the relevant Issue Date.

**Undertakings**

---

**Certain undertakings**

The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and the other Group Companies, including, among others:

- restrictions on making distributions;
- restrictions in relation to incurring Financial Indebtedness and providing security or guarantees;
- restrictions in relation to issuance of Market Loans;
- restrictions on disposal of assets, mergers and demergers;
- restrictions on any substantial changes to the general nature of the business carried out by the Group; and
- restrictions on dealings with related parties.

Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.

**Miscellaneous**

---

**Transfer restrictions**

The Bonds are freely transferable. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

The Holders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which such Holder may be subject.

The Bonds have not been and will not be registered under the U.S. Securities Act, 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.

**Credit rating**

No credit ratings have been assigned to the Bonds.

**Admission to trading**

Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be filed in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 12 November 2024. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 200,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.

**Representation of the Holders**

Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, is acting as Agent for the Holders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.

**Governing law**

The Bonds are governed by Swedish law.

**Time-bar**

The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment.

**Clearing and settlement**

The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

**Risk factors**

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



## DESCRIPTION OF THE ISSUER AND THE GROUP

---

### OVERVIEW OF THE ISSUER

<b>Legal and commercial name</b>	Sensys Gatso Group AB (publ)
<b>Corporate reg. no.</b>	556215-4459
<b>LEI code</b>	5493008GYHJL9PWTC395
<b>Date and place of registration</b>	18 February 1982, with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> )
<b>Date of incorporation</b>	15 December 1981
<b>Legal form</b>	Swedish public limited liability company
<b>Jurisdiction and laws</b>	The Issuer is registered with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> ) and operates under the laws of Sweden including, but not limited to, the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ) and the Swedish Annual Accounts (Sw. <i>årsredovisningslagen (1995:1554)</i> )
<b>Registered office</b>	Jönköping, Sweden
<b>Head office and visiting address</b>	Vasavägen 3c, 554 54 Jönköping, Sweden
<b>Phone number</b>	+46 36 34 29 80
<b>Website</b>	www.sensysgatso.com (the information provided at the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)

### BUSINESS AND OPERATIONS

#### Business model

Headquartered in Jönköping, Sweden, Sensys Gatso is a provider of automated traffic enforcement solutions with an international presence. Sensys Gatso develops, manufactures, and sells system solutions, products, and services that increase traffic safety. The Company offers a wide range of traffic enforcement solutions for many situations, including speed enforcement, red light enforcement and school zones road safety. The Group operates via its subsidiaries in multiple jurisdictions worldwide, including the United States of America, Sweden, Netherlands, Middle East and Australia. The Group's end customers are, directly or indirectly through partnerships, governmental entities such as states, municipalities and cities.

Sensys Gatso operates under the reportable segments of Managed Services and System Sales. The Group earns the majority of its revenues from System Sales, but focuses on increasing its revenues from Managed Services as part of its growth strategy.

#### System Sales

The system sales business model predominantly has revenue streams of project and repeat orders as well as service and maintenance (including licence fees). This business model is often tender driven, with multiple repeat orders after the initial project is completed. During the tender phase, extensive due diligence is performed on legislation and type approval requirements. In the solution design phase, the Company's developers design and configure the solution, using its existing product lines, to meet customer requirements. Assembly of the designed solution is done in-house in Sweden or Netherlands or outsourced for high volumes. This business model requires upfront working capital finance throughout the design and assembly phase. Revenue is recorded based on contract specifics, but predominantly at delivery. Once delivered and accepted by the customer, the Company often enters into a service level agreement for maintenance and uptime assurance or ad hoc repair and maintenance.

The segment has a global spread with sales in Europe, Middle East and Asia-Pacific. The business is generally highly volatile with a few large contracts and many smaller deals. Margins differentiate between size of a deal and the service delivered, with typically higher margins on repeat sales and service and maintenance and licences. Volatility in sales and the sales mix can have a significant impact on the segment's profitability from one quarter to another. In 2023, the Group had one customer whose share of the net sales in the System Sales segment exceeded ten (10) per cent.

### **Managed Services**

The segment Managed Services comprises contracts where the Company is responsible for the entire value chain: providing enforcement equipment (owned by the Company), maintenance of the equipment, operating the enforcement program, evaluating and sending out citations and collecting payments on the behalf of the Company's customers. The enforcement systems, including the construction costs, are recorded on the balance sheet under fixed assets in operations. This business segment has high capital expenditure upfront, with on average 3–5 year customer contracts, with possibilities of extension after the initial contract period. Sales in the segments are predominantly from the Americas region.

Revenue is generated through a services fee which can be based on citation volumes or fixed fees, and may thus be dependent on the volume of citations, which can have some seasonality related to weather and holiday periods. Typically, in the first year of operation of the contract, the Company incurs startup costs that are accounted for in the expenses as they occur. The segment Managed Services also include the costs related to software development and maintenance activities related to the segments sales. In 2023, the Group had two customers whose share of net sales in the Managed Services segment exceeded ten (10) per cent.

### **Strategy**

The Group's growth strategy is based on transforming its business model from predominantly a hardware solution provider to a business model referred to as Traffic Enforcement as a Service (TRaaS), with a recurring revenue model based on predictable service and maintenance, service level agreements and Managed Services.

The Company strategy is to focus on the four pillars of growth: (i) flexible hardware and scalable software, (ii) expansion in the United States of America with TRaaS, (iii) entry into new markets with TRaaS, and (iv) extended service scope to existing markets.

- (i) Through its new enforcement platform FLUX, the Company has created a modular enforcement system that can be configured to the changing behaviours of road users. The FLUX platform enables the Company's customers to easily upgrade to new types of enforcement all within the same solution. By deploying the software products in the cloud, the Company's software is more secure and scalable.
- (ii) With various new states opening up for automated traffic enforcement, the Group has identified growth potential in the United States of America. The Group's strategy is to protect and expand its position in states where it is present as well as to expand into new states.
- (iii) With its TRaaS business model, the Group aims to enter into new markets that are exploring the possibilities for automated traffic enforcement. Depending on the risk profile of countries and the project in particular, the Issuer may participate in joint ventures to deliver and operate traffic safety programs.
- (iv) In countries that do not have a partnership or the partner does not want to provide services to the end customer, Sensys Gatso, depending on volume and risk, aims to fulfil that customer need. This is done through local subsidiaries or through a comprehensive and rapid service and maintenance chain in the Group's assembly hubs in Sweden and Netherlands.

### **MATERIAL AGREEMENTS**

Certain Group Companies have, as borrowers and guarantors, entered into a facilities agreement with Coöperatieve Rabobank U.A (“**Rabobank**”) dated 31 May 2023. Under the facilities agreement, Rabobank has made available to the Group (i) an overdraft facility of EUR 8,175,000, (ii) an investment facility of EUR 10,000,000, and (iii) a bank guarantee facility of EUR 1,850,000. The purpose of the overdraft facility is to finance the Group's ongoing operations.

The purpose of the investment facility is to finance capital expenditures in the United States of America, the Netherlands, Germany and Sweden. The purpose of the bank guarantee facility is to finance bank guarantees. As per 30 June 2024, an amount corresponding to SEK 73 million was utilised under the overdraft facility, an amount corresponding to SEK 48 million was utilised under the investment facility and an amount corresponding to SEK 9 million was utilised under the bank guarantee facility. As security for the obligations under the facilities agreement, Rabobank has been granted first ranking right of pledge of all present and future rights and/or claims pursuant to existing and future relations arising from business and trade of Sensys Gatso Group BV, Sensys Gatso Americas BV, Sensys Gatso International BV, Sensys Gatso Deutschland GmbH, Sensys Gatso USA Inc. Sensys Gatso Netherlands BV and Sensys Gatso Software BV. Furthermore, the Issuer and Sensys Gatso Sweden AB has issued corporate guarantees for the facilities. The facilities agreement, which is governed by Dutch law, contains certain financial covenants regarding solvency ratio and debt service coverage ratio, as well as restrictive covenants regarding payment of dividends (excluding the Issuer).

Other than the facilities agreement and the Terms and Conditions of the Bonds, neither the Issuer nor any other Group Company has entered into any material agreements that are not entered into in the ordinary course of its business, which could result in any Group Company being under an obligation or entitlement that is material to the Issuer's ability to fulfil its obligations under the Terms and Conditions.

## OVERVIEW OF THE GROUP

The Company is the ultimate parent company of the Group. The Group's operations are conducted through, and the majority of its revenues emanates from, the Issuer's operational subsidiaries and sub-subsidiaries. Therefore, the Issuer is dependent on its subsidiaries and sub-subsidiaries to generate profit and cash flow and to meet its obligations under the Terms and Conditions. The table below sets out the Issuer's shareholding of directly and indirectly owned and co-owned subsidiaries as of 31 December 2023.

Company name	Corporate reg. no.	Registered office	Shares and votes (%)
<b>Subsidiaries</b>			
Sensys Gatso Sweden AB	556811-3376	Jönköping, Sweden	100%
Sensys Gatso Group BV	34030301	Haarlem, The Netherlands	100%
Sensys Gatso Middle East Safety & Security Company	1010786077	Riyadh, Saudi Arabia	100%
<b>Sub-subsidiaries</b>			
Sensys Gatso Netherlands B.V.	34065996	Haarlem, The Netherlands	100%
Sensys Gatso Software B.V.	34077170	Haarlem, The Netherlands	100%
Sensys Gatso International B.V.	34064750	Haarlem, The Netherlands	100%
Sensys Gatso Australia Ltd.	ABN20086 166494	Sydney, Australia	100%
Sensys Gatso Deutschland GmbH	HRB 67669	Hilden, Germany	100%
Sensys Gatso Americas B.V.	34279593	Aerdenhout, The Netherlands	100%
FDFJ Inc.	4375982	Dover Delaware, USA	100%
Sensys Gatso USA Inc.	4375979	Dover Delaware, USA	80%
Gatso Asia Ltd.	1196483	Hong Kong, Hong Kong	100%
Gatso Canada	BC1009998	Alberta, Canada	80%
Sensys Gatso Japan KK	0110-01-101894	Tokyo, Japan	100%
Sensys Gatso Costa Rica Sociedad Anónima	3-101-786819	San José, Costa Rica	100%
Sensys Gatso LaTaM S.L.	B05296892	Madrid, Spain	100%
Sensys Gatso Colombia S.A.S.	901.533.249-2	Barranquilla, Colombia	51%

## RECENT EVENTS PARTICULAR TO THE ISSUER

As was announced by way of press release on 9 October 2024, Iowa, USA has implemented a new automated traffic enforcement legislation which means that every location where automated speed enforcement is already in use must receive a permit through the Iowa Department of Transportation (IaDOT). Sensys Gatso is currently investigating the financial impact.

As was announced by way of press release on 19 July 2024, the Issuer, through its subsidiary, Sensys Gatso USA, received red light TRaaS contract worth SEK 25 million with Montgomery Township, PA.

As was announced by way of press release on 14 June 2024, the Issuer, through its subsidiary Sensys Gatso Netherlands, had been selected as a vendor to deliver Average Speed Enforcement in the Netherlands, with the Dutch Public Prosecution Services, with an estimated revenue of SEK 84 million. On 9 July 2024, the Issuer announced that it had signed a procurement contract with the Dutch Public Prosecution Services.

As was announced by way of press release on 11 June 2024, the Issuer, through its 40% joint venture share in Nationwide Traffic Management & Enforcement Ltd (NTMEL) in Ghana, has started issuing caution notices on 4 June 2024. Citation issuance was scheduled for 18 July 2024. NTMEL was awarded an 11 year contract by the Government of Ghana to Design, Build, Finance, Operate and Maintain a national road safety program at the end of December 2022. Total contract value for the joint venture over the term of the contract is estimated at SEK 800 million. Sensys Gatso's shareholding in NTMEL gives the right to a 40% profit share.

As was announced by way of press release on 22 May 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract renewal for automated traffic safety in Libertyville, IL, worth SEK 5.5 million.

As was announced by way of press release on 6 May 2024, the Issuer, through its subsidiary Sensys Gatso USA, received first TRaaS contract in Connecticut with the Town of Stratford, worth SEK 73 million.

As was announced by way of press release on 26 April 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract extension from the City of Albany which adds School Zone Speed Enforcement worth SEK 197 million.

As was announced by way of press release on 21 March 2024, the Issuer, through its subsidiary Sensys Gatso USA, received red-light TRaaS renewal contract with Village of Orland Park, worth SEK 7.8 million.

As was announced by way of press release on 8 March 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract for traffic safety in Granger, IA, worth SEK 17 million; continues to expand its footprint in Iowa.

As was announced by way of press release on 23 February 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS Managed Services contract for traffic safety in Newton, IA, worth SEK 100 million.

As was announced by way of press release on 20 February 2024, the Issuer, through its subsidiary Sensys Gatso Sweden, secured a purchase order for traffic enforcement systems in the Middle East worth SEK 26 million, as part of the SEK 152 million procurement award.

As was announced by way of press release on 12 February 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract renewal for automated traffic safety in Waterloo, IA, worth SEK 57 million.

As was announced by way of press release on 25 January 2024, the Issuer, through its subsidiary Sensys Gatso USA, received new TRaaS contract for traffic safety in De Soto, IA worth SEK 22 million; Iowa expansion continues.

As was announced by way of press release on 24 January 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract renewal for automated traffic safety in Lake Zurich, IL, worth SEK 21 million.

As was announced by way of press release on 15 January 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract renewal for automated traffic safety in Muscatine, IA, worth SEK 16 million.

As was announced by way of press release on 12 January 2024, the Issuer, through its partner Destia Oy, received procurement award for traffic safety solution in Finland, worth estimated SEK 20 million. On 29 February 2024, the Issuer announced that it had signed a contract for traffic safety solution with the procuring organisations Fintraffic and The National Police board of Finland.

As was announced by way of press release on 11 January 2024, the Issuer, through its subsidiary Sensys Gatso USA, extended the Pawtucket, Rhode Island TRaaS contract by two years, increasing the contract value by SEK 19 million.

As was announced by way of press release on 8 January 2024, the Issuer, through its subsidiary Sensys Gatso USA, received TRaaS contract for traffic safety in Grinnell (IA) worth SEK 15 million and continues to expand its footprint in Iowa, USA.

Except for the foregoing and the issuance of the Bonds, there have been no recent events, particular to the Group, since the end of the last financial period for which audited financial information has been published, which are to a material extent relevant to the evaluation of the Company's solvency.

## **MATERIAL ADVERSE CHANGES, SIGNIFICANT CHANGES AND TREND INFORMATION**

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report.

Other than the receipt of the red light TRaaS contract worth SEK 25 million with Montgomery Township, PA on 19 July 2024, as set out in the Section "*Recent events particular to the Issuer*", there have been no significant changes in the financial position or performance of the Group since the end of the last financial period for which financial information has been published, i.e. the period ending on 30 June 2024.

## **GOVERNMENTAL, LEGAL AND ARBITRATION PROCEEDINGS**

Sensys Gatso has not been party to any regulatory proceedings, legal proceedings or arbitration proceedings (including proceedings which have not yet been settled or which, to Sensys Gatso's knowledge, are in danger of being initiated) which may or has recently had a material effect on the Group's financial position or profitability during the previous twelve (12) months.

## OWNERSHIP STRUCTURE

---

### OWNERSHIP STRUCTURE

According to the articles of association, the Company's share capital shall be not less than SEK 15,000,000 and not more than SEK 60,000,000 divided into not less than 10,000,000 shares and not more than 40,000,000 shares. As of the date of this Prospectus, the Issue's registered share capital was SEK 46,121,432 and its registered number of shares was 11,530,358 shares. The Company's shares are traded on Nasdaq Stockholm, with trading symbol SGG and ISIN SE0020356244. The table below sets out the ten (10) largest shareholders of the Company as of 30 August 2024.

Shareholders	Number of shares	Voting rights and share capital (%)
BNP Paribas SA	2,055,351	17.83%
Försäkringsaktiebolaget Avanza Pension	556,037	4.82%
Nordnet Pensionsförsäkring AB	414,158	3.59%
Futur Pension Försäkringsaktiebolag	337,936	2.93%
Per Wall	287,500	2.49%
Inger Bergstrand	258,248	2.24%
Dimensional Fund Advisors	126,283	1.10%
CACEIS Bank, S.A., Germany Branch	117,500	1.02%
Claes Mellgren	117,442	1.02%
Skandia Fonder AB	110,717	0.96%
<b>Top 10 largest shareholders</b>	<b>4,381,172</b>	<b>38%</b>
Other shareholders	7,149,186	62%
<b>Total</b>	<b>11,530,358</b>	<b>100%</b>

The shareholders' influence is exercised through active participation in the decisions made at the general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with relevant laws in Sweden, including among others the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Since the Issuer's shares are admitted to trading on Nasdaq Stockholm, the Issuer also acts in compliance with the Nordic Main Market Rulebook for Issuers of Shares and the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*).

### SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge, there are no shareholders' agreement or other agreements which could result in a change of control of the Issuer. The Company is not, directly or indirectly, controlled by an individual party.

# **BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITORS**

---

## **GENERAL**

The division of duties between the board of directors and the CEO follows Swedish law and is set out in internal rules and instructions within the Company. The CEO and the members of the Company's executive management are responsible for the Issuer's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of director's guidelines and instructions as well as provide the board of directors with decision-aiding materials. The board of directors and the executive management may be contacted through the Issuer at its head office at Vasavägen 3c, 554 54 Jönköping, Sweden.

## **BOARD OF DIRECTORS**

According to the articles of association, the Company's board of directors shall consist of no less than three and no more than seven board members. The board of directors currently consists of six ordinary board members, including the chairman of the board of directors, with no deputy board member, all of whom were appointed by the annual general meeting held on 8 May 2024 for the period until the end of the next annual general meeting. The section below presents the members of the board of directors, their position, the year of their initial election and their significant assignments outside the Issuer, which are relevant for the Issuer.

### **Claes Ödman**

Chairman since 2016, board member since 2011.

Other relevant assignments: President of Smart Transport at AddSecure Smart Transport AB.

### **Kerstin Sjöstrand**

Board member since 2016.

Other relevant assignments: Alternate board member of Villa Sjöstrand AB.

### **Pia Hofstedt**

Board member since 2016.

Other relevant assignments: Hofstedt Consulting & Management Board Member and CEO, Deputy board member Larus Invest AB, Deputy board member Larus Holding Invest 1 AB.

### **Jochem Garritsen**

Board member since 2015.

Other relevant assignments: Customer Delivery Director at Nokia.

### **Francis Schmeer**

Board member since 2022.

Other relevant assignments: Board Director at Connect44 AG. Group CEO at Connect44 AG.

### **Mark Talbot**

Board member since 2023.

Other relevant assignments: CEO and Executive Chairman at Q-Free.

## **GROUP MANAGEMENT**

The section below presents the members of the executive management, their position, the year each person became a member of the executive management and their significant assignments outside the Issuer, which are relevant for the Issuer.

### **Ivo Mönnink**

CEO since 2017.

Other relevant assignments: Owner and board member of Destro Management B.V.

**Simon Mulder**

CFO since 2018.

Other relevant assignments: –

**Pär Degerman**

CTO since 2021.

Other relevant assignments: Owner and board member of Amante Sweden AB.

**Joris Lampe**

CCO since 2017.

Other relevant assignments: Univrses AB - Member of Board of Directors.

**CONFLICTS OF INTEREST WITHIN ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES**

None of the members of the board of directors or the executive management of the Issuer has a private interest that may be in conflict with the interests of the Issuer except as described below. However, certain members of the board of directors or the executive management of the Issuer have financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. In the event that such conflicts of interests arise at a board meeting, board member which has such conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. As far as the Issuer is aware, there are no conflicts of interest as of the date of this Prospectus.

Notwithstanding the above, it cannot be ruled out that other conflicts of interest may arise in the future between companies, in which members of the board of directors or the executive management of the Issuer have duties, and the Issuer.

**AUDITOR**

BDO Mälardalen AB, with address Box 6343, 102 35 Stockholm, Sweden, is the Issuer's auditor since 2018 with Johan Pharmanson as the auditor in charge since 2018. Johan Pharmanson is an authorized public accountant and member of FAR, the institute for the accounting profession in Sweden.



## **SUPPLEMENTARY INFORMATION**

---

### **INFORMATION ABOUT THE PROSPECTUS**

This Prospectus has been approved by the Swedish Financial Supervisory Authority as a 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. The Swedish Financial Supervisory Authority's approval should not be considered as an endorsement of the Issuer or the quality of the Bonds that is the subject of this Prospectus.

Investors should make their own assessment as to the suitability of investing in the Bonds.

### **AUTHORISATIONS AND RESPONSIBILITY**

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 13 September 2024 has been authorised by resolutions taken by the board of directors of the Issuer on 29 August 2024, authorising certain representatives of the Company to execute, deliver and perform the documents contemplated by the issue of the Bonds, including this Prospectus.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The Board of Directors of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

### **INFORMATION FROM THIRD PARTIES**

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE**

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

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available in paper form at the Issuer's head office during the validity of this Prospectus as well as available in electronic format at the Issuer's website, [www.sensysgatso.com](http://www.sensysgatso.com).

- This Prospectus.
- The Issuer's article of association.
- The Group's consolidated audited annual report for the financial year ended 31 December 2022, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2023, including the applicable audit report.

# FINANCIAL INFORMATION

---

## HISTORICAL FINANCIAL INFORMATION

The Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial years ended 31 December 2022 and 31 December 2023 derives from the Group's consolidated audited annual reports.

## ACCOUNTING STANDARDS

The financial information for the financial years ended 31 December 2022 and 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations that have been issued by IFRS Interpretations Committee (“IFRS IC”) as they have been adopted by the EU. Furthermore, the Group applies the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and RFR 1 “Supplementary Accounting Rules for Groups” issued by the Swedish Financial Reporting Board.

## AUDITING OF THE HISTORICAL FINANCIAL INFORMATION

The Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023 have been audited by BDO Mälardalen AB, with Johan Pharmanson as the auditor in charge. Unless otherwise explicitly stated, no other information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

## INCORPORATION BY REFERENCE

The following information in the Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023 is incorporated in this Prospectus by reference and is available at the Issuer's website, [www.sensysgatso.com](http://www.sensysgatso.com). Please refer to the pages set out below. Information in the documents below, which is not incorporated by reference, is either covered elsewhere in this Prospectus, or is deemed by the Issuer not to be relevant for investors in the Bonds.

<b>Reference</b>	<b>Pages</b>
<b>The Group's consolidated annual report 2022</b>	
Consolidated statement of income and other comprehensive income	36
Consolidated balance sheet	37–38
Consolidated statement of changes in shareholders' equity	39
Consolidated cash flow statement	40
Notes	50–62
Auditor's report	75–77
<b>The Group's consolidated annual report 2023</b>	
Consolidated statement of income and other comprehensive income	41
Consolidated balance sheet	42
Consolidated statement of changes in shareholders' equity	43
Consolidated cash flow statement	43
Notes	46–63
Auditor's report	71–75

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

---

# **TERMS AND CONDITIONS**



## **SENSYS GATSO GROUP AB (PUBL) MAXIMUM EUR 60,000,000 SENIOR UNSECURED CALLABLE FLOATING RATE BONDS 2024/2028**

ISIN: SE0022727095

LEI: 5493008GYHJL9PWTC395

First Issue Date: 13 September 2024

## **SELLING RESTRICTIONS**

---

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. 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.

## **PRIVACY STATEMENT**

---

Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Holders 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 Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Holders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (i) to (iii) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (iv) above, the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). 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 Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites [www.sensysgatso.com](http://www.sensysgatso.com), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.carnegie.se](http://www.carnegie.se).

# Table of contents

---

CLAUSE	PAGE
1. DEFINITIONS AND CONSTRUCTION.....	1
2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS .....	11
3. STATUS OF THE BONDS .....	12
4. USE OF PROCEEDS.....	12
5. CONDITIONS PRECEDENT .....	12
6. THE BONDS AND TRANSFERABILITY.....	13
7. BONDS IN BOOK-ENTRY FORM .....	13
8. RIGHT TO ACT ON BEHALF OF A HOLDER.....	14
9. PAYMENTS IN RESPECT OF THE BONDS.....	15
10. INTEREST .....	15
11. REDEMPTION, REPURCHASE AND PREPAYMENT OF THE BONDS .....	16
12. INCURRENCE TEST .....	17
13. SPECIAL UNDERTAKINGS .....	20
14. TERMINATION OF THE BONDS .....	23
15. DISTRIBUTION OF PROCEEDS .....	27
16. DECISIONS BY HOLDERS .....	28
17. HOLDERS' MEETING.....	30
18. WRITTEN PROCEDURE.....	31
19. AMENDMENTS AND WAIVERS .....	31
20. REPLACEMENT OF BASE RATE.....	33
21. APPOINTMENT AND REPLACEMENT OF THE AGENT.....	37
22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT .....	41
23. THE CSD .....	41
24. NO DIRECT ACTIONS BY HOLDERS .....	41
25. TIME-BAR .....	42
26. NOTICES AND PRESS RELEASES .....	42
27. FORCE MAJEURE AND LIMITATION OF LIABILITY .....	44
28. ADMISSION TO TRADING.....	44
29. GOVERNING LAW AND JURISDICTION .....	44

# TERMS AND CONDITIONS

---

## 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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by the Issuer, a Group Company or an Affiliate of the Issuer or a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means:

- (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than one hundred twenty (120) calendar days after the date of supply; or
- (b) any other trade credit incurred in the ordinary course of business.

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

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

“**Agent**” means the Holders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden).

“**Bank Facilities**” means one or more term or revolving credit facilities or any other bank debt, any guarantee facilities and any other ancillary facilities in an aggregate amount not at any time exceeding EUR 11,000,000 (or its equivalent in any other currency or currencies).

“**Base Rate**” means three (3) months EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 20 (*Replacement of Base Rate*).

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer 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 (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

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

“**Calculation Principles**” means the calculation principles included in Clause 12 (*Calculation Principles*).

“**Call Option Price**” means:

- (a) the Make-Whole Amount if the call option is exercised on or after the First Issue Date up to (but excluding) the First Call Date;
- (b) 102.375 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling thirty (30) months after the First Issue Date;
- (c) 101.78125 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but excluding) the date falling thirty-six (36) months after the First Issue Date;
- (d) 101.1875 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty-six (36) months after the First Issue Date up to (but excluding) the date falling forty-two (42) months after the First Issue Date;
- (e) unless paragraph (f) below applies, 100.59375 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date up to (but excluding) the Final Redemption Date; or
- (f) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-five (45) months after the First Issue Date up to (but excluding) the Final Redemption Date, provided that the redemption of the Bonds is financed in whole or in part with a new Market Loan.

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

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where “control” means:

- (a) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 1 (*Form of Compliance Certificate*), in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying:

- (a) 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;
- (b) if provided in connection with the annual audited consolidated financial statements of the Group, a list of the Material Group Companies; and
- (c) if provided in connection with the payment of any Restricted Payment or the incurrence of the new Financial Indebtedness (including any Subsequent Bond Issue), which requires that the Incurrence Test is met, that the Incurrence Test is met and including calculations and figures in respect of the ratio of Net Interest bearing Debt to EBITDA.

“**Conditions Precedent**” means all actions and documents set forth in Clause 5.

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

“**Defeasance Redemption Date**” has the meaning set forth in Clause 19.2.1(b).

“**De-listing Event**” means a situation where:

- (a) the shares in the Issuer are not listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market,
- (b) trading in the shares in the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days, or
- (c) once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, the Bonds are no longer admitted to trading thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Derivative Transaction**” has the meaning set forth in paragraph (e) of the definition *Permitted Debt* below.

“**EBITDA**” has the meaning set forth in Clause 12.2 (*Financial definitions*).

“**EKN Guaranteed Facilities**” means one or more term or revolving credit facilities or any other bank debt in an aggregate amount not at any time exceeding EUR 7,500,000 (or its equivalent in any other currency or currencies), that is fully guaranteed by Exportkreditnämnden or any corresponding public institution.



“**EUR**” means the currency used by the institutions of the European Union and being the official currency of the Eurozone.

“**EURIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on the LSEG screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in EUR and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four (4) decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Day; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four (4) 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 EUR 10,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the Interest Rate which according to the reasonable assessment of the Issuing Agent best reflects the Interest Rate for deposits in EUR offered for the relevant period, and

if any such rate is below zero (0), EURIBOR will be deemed to be zero (0).

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Exceptional Items**” has the meaning set forth in Clause 12.2 (c).

“**Existing Shareholder Loans**” means the existing loans to the Issuer from certain shareholders not exceeding a principal amount of EUR 2,000,000.

“**Final Redemption Date**” means 13 September 2028.

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

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

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than on a non-recourse basis);

- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount payable under any contractual earn-out payments relating to acquisitions made by the Group; and
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a party referred to in the above paragraphs (a)–(g).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 13.9.1.

“**First Call Date**” means the date falling twenty-four (24) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 13 September 2024.

“**Force Majeure Event**” has the meaning set forth in Clause 27.1.

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

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

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Incurrence Test**” has the meaning set forth in Clause 12.1 (*Incurrence Test*).

“**Initial Bond**” means any Bond issued on First Issue Date in the Initial Bond Issue.

“**Initial Bond Issue**” has the meaning set forth in Clause 2.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clause 10.1 to 10.3.

“**Interest Payment Date**” means 1 January, 1 April, 1 July and 1 October 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 (with the first Interest Payment Date on 1 October 2024 (short first Interest Period) and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)).

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate plus 4.75 per cent. *per annum* as adjusted by any application of Clause 20 (*Replacement of Base Rate*).

“**Issue Date**” means the First Issue Date or any date when Subsequent Bonds are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Sensys Gatso Group AB (publ), reg. no. 556215-4459, Box 2174, 550 02 Jönköping, Sweden.

“**Issuing Agent**” means Carnegie Investment Bank AB (publ) (reg. no. 516406-0138, SE-103 38, Stockholm, Sweden) or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Listing Failure**” shall be deemed to have occurred if the Initial Bonds have not been admitted to trading on Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the First Issue Date or Subsequent Bonds issued in any Subsequent Bond Issue have not been admitted to trading on Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the relevant Issue Date.

“**Make-Whole Amount**” means an amount equal to the sum of the present value on the relevant Record Date of:

- (a) 102.375 per cent. of the Nominal Amount as if such payment would have taken place on the First Call Date; and
- (b) the remaining Interest payments up to but not including the First Call Date, *less* any accrued and unpaid Interest,

where the present value in respect of both (a) and (b) above shall be calculated by using a discount rate of three (3.00) per cent. *per annum*, and where the Interest Rate for the remaining Interest payments in respect of (b) above shall be the Interest Rate in effect on the date on which notice of redemption is given to the Holders.

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

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under the Finance Documents or (iii) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means the Issuer or a Subsidiary representing more than ten (10.00) per cent. of the EBITDA of the Group on a consolidated basis according to the latest Financial Report.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag (reg. no 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Interest Bearing Debt**” has the meaning set forth in Clause 12.2 (*Financial definitions*).

“**Net Proceeds**” means the cash proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for any fees payable to the Issuing Agent or another arranger or bookrunner in connection with the relevant Subsequent Bond Issue.

“**Nominal Amount**” has the meaning set forth in Clause 2.1.

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

“**Permitted Basket**” has the meaning set forth in paragraph (o) of the definition *Permitted Debt* below.

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

- (a) incurred under the Finance Documents (including pursuant to any Subsequent Bond Issue, if the Incurrence Test is met (calculated *pro forma* including such issue));
- (b) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (c) related to any Finance Lease for premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company’s business;
- (d) incurred pursuant to any other Finance Leases entered into in the ordinary course of business in a maximum aggregate amount not at any time exceeding EUR 2,500,000 (or its equivalent in any other currency or currencies);
- (e) taken up from, or guarantees (including but not limited to performance guarantees) made for the benefit of, a Group Company;
- (f) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) (“**Derivative Transaction**”);

- (g) 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), however should the Incurrence Test not be met, a clean-up period of sixty (60) calendar days is permitted to unwind such Financial Indebtedness;
- (h) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence), (ii) is unsecured and ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Finance Documents and (iii) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (i) arising under any contractual non-interest bearing earn-out payments or obligation to pay any deferred purchase price relating to acquisitions made by the Group regardless of how such earn-out payments or deferred purchase price are accounted for in the Accounting Principles;
- (j) incurred in the ordinary course of business under Advance Purchase Agreements;
- (k) incurred under any Subordinated Loans;
- (l) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business;
- (m) incurred under any Bank Facilities;
- (n) incurred under any EKN Guaranteed Facilities; and
- (o) not permitted by paragraphs (a) to (n) above, in an aggregate amount not at any time exceeding the higher of (i) EUR 2,000,000 (or its equivalent in any other currency or currencies) and (ii) five (5.00) per cent. of the EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report and where EBITDA shall be adjusted in accordance with the Calculation Principles (all such Financial Indebtedness is together referred to as the “**Permitted Basket**”).

“**Permitted Security**” means any security:

- (a) provided in accordance with the Finance Documents;
- (b) provided in connection with a redemption of the Bonds in full and constituting a first priority pledge over a bank account in the name of the Issuer for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (c) provided in relation to any Finance Lease for premises provided that such lease constitutes Permitted Debt;
- (d) provided in relation to any other Finance Leases constituting Permitted Debt and consisting of security over leased assets;
- (e) provided in relation to a Derivative Transaction but not consisting of security interests in shares in any Group Company;

- (f) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity has provided security, provided that the debt secured with such security constitutes Permitted Debt in accordance with paragraph (h) of the definition *Permitted Debt*;
- (g) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including security in respect of any monies borrowed or raised);
- (h) arising through receivables sold or discounted (provided they are sold on a non-recourse basis);
- (i) arising under any escrow agreement in connection with acquisitions and disposals;
- (j) provided in relation to any Bank Facilities; and
- (k) provided in relation to the Permitted Basket but not consisting of security interest in shares of any Group Company.

“**Quotation Day**” means, in relation to:

- (a) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date); or
- (b) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no interest accrues on such day).

“**Record Date**” means the fifth (5<sup>th</sup>) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date;
- (c) a date on which a payment to the Holders is to be made under Clause 15 (*Distribution of proceeds*); or
- (d) another relevant date, 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 11 (*Redemption, repurchase and prepayment of the Bonds*).

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

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Clause 13.1.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

“**Subordinated Loan**” means Financial Indebtedness incurred by the Issuer if such Financial Indebtedness is unsecured and is subordinated to the obligations of the Issuer under the Finance Documents and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date.

“**Subsequent Bond**” means any Bond issued after the First Issue Date in a Subsequent Bond Issue.

“**Subsequent Bond Issue**” means any issue of Subsequent Bonds.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body; or
- (d) exercises control as determined in accordance with the Accounting Principles.

“**Transaction Costs**” has the meaning set forth in Clause 12.2 (*Financial definitions*).

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

## 1.2 **Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted from time to time; 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 EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.
- 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 Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling and distribution restrictions, the privacy statement 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 Holders and the Agent (save for the privacy statement insofar it relates to the Agent).

## **2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

- 2.1 The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.
- 2.3 The aggregate amount of the bond loan will be an amount of maximum EUR 60,000,000 which will be represented by Bonds, each of a nominal amount of EUR 100,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is EUR 30,000,000 (the “**Initial Bond Issue**”).
- 2.4 All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.5 The minimum permissible investment in connection with the Initial Bond Issue is EUR 100,000.
- 2.6 The ISIN for the Bonds is SE0022727095.
- 2.7 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals EUR 60,000,000, provided that the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue). Any Subsequent Bond Issue shall be issued subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.



### **3. STATUS OF THE BONDS**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all other 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.

### **4. USE OF PROCEEDS**

The Net Proceeds from the Initial Bond Issue and any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group, including acquisitions, repayment of the Existing Shareholder Loans and repayment of Bank Facilities.

### **5. CONDITIONS PRECEDENT**

#### **5.1 Conditions Precedent**

5.1.1 The Issuer shall provide to the Agent, as soon as reasonably possible but in any event no later than 11.00 a.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), in form and substance satisfactory to the Agent (acting reasonably):

- (a) copies of the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) of the Issuer;
- (b) a copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents and resolving that it execute, deliver and perform the Finance Documents;
  - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents;
- (c) copies of duly executed Finance Documents; and
- (d) an agreed form of Compliance Certificate.

5.1.2 The Agent shall promptly confirm to the Issuing Agent when the conditions set out above have been satisfied (or amended or waived in accordance with Clause 16 (*Decisions by Holders*)). The Initial Bond Issue shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 09.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Issuing Agent).

5.1.3 Following receipt by the Issuing Agent of the confirmations referred to above, the Issuing Agent shall settle the issuance of the Bonds issued in the Initial Bond Issue and pay the Net Proceeds from the Initial Bond Issue to the Issuer on the First Issue Date.

## 5.2 **No responsibility for documentation**

The Agent may assume that the Conditions Precedent and the documents and evidences referred to in Clause 5 (*Conditions Precedent*) delivered to it are accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. None of the documents or evidences referred to above are reviewed by the Agent from a legal or commercial perspective of the Holders.

## **6. THE BONDS AND TRANSFERABILITY**

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.

6.4 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 Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense. For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

## **7. BONDS IN BOOK-ENTRY FORM**

7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

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

7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

- 7.4 For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Holder or third party unless necessary for such purposes.

## **8. RIGHT TO ACT ON BEHALF OF A HOLDER**

- 8.1 If any Person other than a Holder (including the owner of a Bond, if such person is not the Holder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Holder or, if applicable, a coherent chain of powers of attorney or authorisations, a certificate from the authorised nominee or other sufficient proof of authorisation, starting with the Holder, for such Person. The debt register shall constitute conclusive evidence of the persons who are Holders and their holdings of Bonds at the relevant point of time.
- 8.2 A Holder 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 Holder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 8.4 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **9. PAYMENTS IN RESPECT OF THE BONDS**

- 9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. If a bank account has not been registered on the applicable Record Date for the relevant payment, no payment will be effected by the CSD to such Holder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Holder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid as soon as possible after such obstacle has been removed.
- 9.3 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 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) had actual knowledge of the fact that the payment was to the wrong person.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or any Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

## **10. INTEREST**

- 10.1 The Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 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).

- 10.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200.00) basis 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.

## **11. REDEMPTION, REPURCHASE AND PREPAYMENT OF THE BONDS**

### **11.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

### **11.2 The Group Companies' purchase of Bonds**

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

### **11.3 Early voluntary redemption by the Issuer (call option)**

- 11.3.1 The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day falling before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.

- 11.3.2 Redemption in accordance with this Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

- 11.4.1 Upon a Change of Control Event, a De-listing Event or a Listing Failure occurring, each Holder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to paragraph (e) of Clause 13.9.1. The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, the De-listing Event or the Listing Failure (as applicable).

- 11.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 13.9.1 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it

wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 13.9.1. The repurchase date must fall on a date no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.

- 11.4.3 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4, if a third party in connection with the occurrence of a Change of Control Event, De-listing Event or Listing Failure, as applicable, offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.4 (or on terms more favourable to the Holders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 11.4.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4 in connection with the occurrence of a Change of Control Event if the call option has been exercised pursuant to Clause 11.3 (*Early voluntary total redemption (call option)*) by way of a call notice which has become unconditional on or before the end of the exercise period.
- 11.4.5 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 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.
- 11.4.6 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be disposed of in accordance with Clause 11.2 (*The Group Companies' purchase of Bonds*).

## **12. INCURRENCE TEST**

### **12.1 Incurrence Test**

The “**Incurrence Test**” is met if the ratio of Net Interest Bearing Debt to EBITDA is:

- (a) equal to or lower than 3.00:1.00 if tested on a date falling on or earlier than the date falling thirty-six (36) months after the First Issue Date; and
- (b) equal to or lower than 2.50:1.00 if tested on a date falling after the date falling thirty-six (36) months after the First Issue Date,

in each case calculated in accordance with the calculation principles set out in Clause 12.3 (*Calculation principles*).

### **12.2 Financial definitions**

In these Terms and Conditions:

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;
- (c) before taking into account any exceptional items which are not in line with the ordinary course of business (including, but not limited to, Transaction Costs and any transaction costs incurred in connection with acquisitions) (“**Exceptional Items**”) and which do not exceed ten (10) per cent. of EBITDA before adjustments for Exceptional Items;
- (d) not including any accrued interest owing to any Group Company;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) not including any revaluation of amounts payable under contractual non-interest bearing earn-out payments relating to acquisitions made by the Group regardless of how such earn-out payments are accounted for in the Accounting Principles;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (i) after adding back or deducting, as the case may be, the Group’s share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of Group Companies.

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (excluding any interest bearing debt borrowed from any Group Company and excluding any contractual earn-out payments relating to acquisitions made by the Group regardless of how such earn-out payments are accounted for in the Accounting Principles) less cash and cash equivalents of the Group per the relevant testing date if measured in relation to the Incurrence Test (as applicable), in each case in accordance with the Accounting Principles.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with:

- (a) the Initial Bond Issue or a Subsequent Bond Issue; and
- (b) the admission to trading of the Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm or any other Regulated Market.

## 12.3 Calculation principles

### 12.3.1 *For the purpose of the Incurrence Test:*

- (a) the calculation of the Incurrence Test shall be made as per the date on which the new Financial Indebtedness is incurred or the Restricted Payment is made (as applicable) (the “**testing date**”);
- (b) the figures for EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report published prior to the relevant testing date shall be used for the Incurrence Test, but adjusted so that:
  - (i) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of any entities acquired by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included, *pro forma*, for the entire Relevant Period; and
  - (ii) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of any entities disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period, and
- (c) the figures for Net Interest Bearing Debt for the Relevant Period ending on the last day of the period covered by the most recent Financial Report published prior to the relevant testing date shall be used for the Incurrence Test, but shall be:
  - (i) reduced on a *pro forma* basis to exclude any interest bearing Financial Indebtedness to the extent it will be refinanced with the new Financial Indebtedness in respect of which the Incurrence Test is applied;
  - (ii) increased to reflect any transactions made after the end of the Relevant Period in respect of which the Incurrence Test has been applied;
  - (iii) reduced to reflect any Net Interest Bearing Debt attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Interest Bearing Debt is included in the relevant financial statements);
  - (iv) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to (A) any Financial Indebtedness owed by acquired entities, and (B) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
  - (v) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred, calculated as if such debt had been incurred at the beginning of the Relevant Period,



however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce Net Interest Bearing Debt.

### 13. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the special undertakings set forth in this Clause 13.

#### 13.1 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries will:

- (a) pay any dividend on shares;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any shareholder loans; or
- (e) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(paragraphs (a)–(e) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (i) any Group Company if such Restricted Payment is made to another Group Company and, if made by any of the Subsidiaries which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis or in a larger proportion to the Group;
- (ii) any Group Company by way of a payment, redemption and/or a share buyback (as applicable) under an incentive programme provided that (A) it is made under any incentive programme existing as of the First Issue Date or (B) the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met and such Restricted Payments in aggregate do not exceed SEK 20,000,000 during the lifetime of the Bonds,
- (iii) any Group Company excluding the Issuer, by way of a redemption and/or a share buyback (as applicable) of minority shares in such Group Company, provided it is made at arm's length terms, and
- (iv) the Issuer, provided that (A) the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met and (B) the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with paragraph (i) above) does not exceed fifty (50.00)

per cent. of the Group's consolidated net profit (Sw. *årets resultat*) according to the annual audited financial statements for the previous financial year.

### 13.2 **Admission to trading**

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm within twelve (12) months of the First Issue Date or, if such admission to trading is not possible to obtain or maintain, that such Bonds are admitted to trading on any other Regulated Market within twelve (12) months after the First Issue Date; and
- (b) any Subsequent Bonds are admitted to trading on the relevant Regulated Market within twelve (12) months after the issuance of the relevant Subsequent Bonds.

### 13.3 **Nature of business**

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

### 13.4 **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 and prolong Financial Indebtedness which constitute Permitted Debt.

### 13.5 **Negative Pledge**

The Issuer shall not, and shall procure that none of the Subsidiaries will, create or allow to subsist, retain, provide, prolong or renew any security over any of its/their assets (present or future), provided however that the Group Companies have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

### 13.6 **Disposals of assets, mergers and demergers**

13.6.1 The Issuer shall not, and shall procure that none of the Subsidiaries will:

- (a) sell, transfer or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries; or
- (b) merge or demerge any Material Group Company, into a company which is not a Group Company;

unless 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, and provided however that a merger or demerger with the effect that the Issuer is not the surviving entity shall not be permitted.

13.6.2 The Issuer shall notify the Agent of any transaction set out in this Clause 13.6 in accordance with Clause 13.9.2.

13.7 **Dealings with related parties**

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

13.8 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries:

- (a) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed; and
- (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, license or other permit required for the business carried out by a Group Company.

13.9 **Financial reporting etcetera**

13.9.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent:
  - (i) when the annual audited consolidated financial statements of the Group is made available pursuant to paragraphs (a) above;
  - (ii) in connection with the testing of an Incurrence Test; and
  - (iii) at the Agent's request, within twenty (20) calendar days from such request;
- (d) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, a De-listing Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a

Change of Control Event, a De-listing Event, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and

- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market (as applicable and as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

13.9.2 The Issuer shall notify the Agent of any transaction referred to in Clause 13.6 (*Disposals of assets, mergers and demergers*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the transaction, which the Agent deems necessary (acting reasonably) and (b) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under paragraph (b) above.

### 13.10 **Agency Agreement**

13.10.1 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 reasonably 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.

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

### 13.11 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

## 14. **TERMINATION OF THE BONDS**

14.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 14.7 or

14.8, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with its obligations under the Finance Documents in any other way than as set out under paragraph (a) above, unless the non-compliance:
  - (i) is capable of being remedied; and
  - (ii) is remedied within fifteen (15) Business Days of the earlier of:
    - (A) the Agent giving notice; and
    - (B) the Issuer becoming aware of the non-compliance,

if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request;

- (c) **Cross-acceleration:**
  - (i) Any Financial Indebtedness of a Material Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described); or
  - (ii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;  
  
provided however that the amount of Financial Indebtedness referred to under paragraph (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to EUR 2,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
  - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions ) with a view to rescheduling its Financial Indebtedness; or
  - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed

in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
  - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;
- (f) **Mergers and demergers of the Issuer:** The Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;
- (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding EUR 2,000,000 and is not discharged within sixty (60) calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** A Material Group Company ceases to carry on its business (except if due to (i) a solvent liquidation of a Material Group Company other than the Issuer or (ii) a permitted disposal, merger or demerger as stipulated in Clause 13.6) and provided, in relation to a discontinuation of a Material Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under paragraph (d) of Clause 14.1.

14.3 If the right to terminate 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 termination to be deemed to exist.

14.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in

- Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.
- 14.5 The Issuer is only obligated to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with the relevant Regulated Market or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 14.4.
- 14.6 The Agent shall notify the Holders of an Event of Default within five (5) Business Days of the date on which the Agent received notice of or gained 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 Clause 14.1(a) (*Non-payment*)) up until the time stipulated in Clause 14.7 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Holders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 14.7 The Agent shall, within twenty (20) Business Days of the date on which the Agent received notice of or otherwise gained actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.8 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 14.9 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.10 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).

14.11 If the Bonds are declared due and payable in accordance with this Clause 14, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price for the relevant period (plus accrued but unpaid Interest) or, if the Bonds are accelerated before the First Call Date, at the price set out in paragraph (a) of the definition *Call Option Price* (plus accrued but unpaid Interest).

## **15. DISTRIBUTION OF PROCEEDS**

15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to 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, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the Holders' rights under the Finance Documents, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

15.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.

15.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.

15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 9.1 shall apply.



## 16. DECISIONS BY HOLDERS

- 16.1 A request by the Agent for a decision by the Holders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (a) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (b) the suggested decision is not in accordance with applicable regulations.
- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 16.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
  - (b) a mandatory exchange of Bonds for other securities;
  - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 20 (*Replacement of Base Rate*));
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking, or
  - (e) amend the provisions in this Clause 16.5 or 16.6.

- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. 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 or waiver permitted pursuant to Clause 19.1.1 (a), (c) or (d)) or a termination of the Bonds.
- 16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent. of the Adjusted Nominal Amount;
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Holder 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.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' 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.
- 16.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds.

The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.

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

## **17. HOLDERS' MEETING**

- 17.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 21.4.3, 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 Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 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 Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 17.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.

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

## **18. WRITTEN PROCEDURE**

18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(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 Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.

18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.

18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (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 Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (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 Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.

18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. AMENDMENTS AND WAIVERS**

### **19.1 Amendments and waivers**

19.1.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (a) such amendment or waiver is necessary following a retirement or dismissal of the CSD in accordance with Clause 24.3 in order to procure that the Bonds may be registered

with the replacement CSD (taking into account the rules and regulations of the replacement CSD);

- (b) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (d) such amendment or waiver is necessary for the purpose of admitting the Bonds to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (e) made pursuant to Clause 20 (*Replacement of Base Rate*); or
- (f) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).

19.1.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

19.1.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1.1 setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents pursuant to Clause 19.1.1 are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

19.1.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## 19.2 **Defeasance**

19.2.1 In addition to Clause 19.1 (*Amendment and waivers*), in connection with a full redemption of all outstanding Bonds and subject to the terms in this Clause 19.2, the Agent may agree in writing to waive any or all provisions in the Finance Documents. Any waiver provided in accordance with this Clause 19.2 may be made at the Agent's sole discretion (acting on behalf of the Holders) without having to obtain the consent of the Holders to the extent any such waiver would not have a Material Adverse Effect and provided that:

- (a) the Bonds may be redeemed in full at the sole discretion of the Issuer in accordance with the Finance Documents on any Business Day on or after the date on which the waiver becomes effective;
- (b) the Issuer undertakes to redeem all outstanding Bonds in full no later than on a Business Day falling within three (3) months (the "**Defeasance Redemption Date**") from the date on which the waiver becomes effective;
- (c) at the latest on the date on which the waiver becomes effective, an amount corresponding to the total nominal amount outstanding under the Bonds as well as any

applicable Call Option Price and, any accrued but unpaid Interest and any other amounts due to be paid to the Agent and/or the Holders under or in respect of the Finance Document up to and including the relevant Redemption Date (or if such Redemption Date is not specified, up to and including the Defeasance Redemption Date) is transferred to a pledged account held by the Issuer with a reputable Swedish bank subject to duly perfected first ranking security in favour of the Agent and the Holders;

- (d) the Agent may require such further terms, conditions and statements before the effectiveness of the waiver as the Agent may reasonably require; and
- (e) the Issuer undertakes to not issue any Subsequent Bonds following the effectiveness of the waiver.

19.2.2 Notwithstanding the above, any waiver provided by the Agent will not affect:

- (a) the terms of Clause 3 (*Status of the Bonds*), Clause 15 (*Distribution of proceeds*), the principal amount, premiums in connection with redemption or repurchase of any Bonds, Interest Rate or Interest which shall be paid by the Issuer, any payment day for principal amount or Interest, waive any breach of a payment undertaking, or the provisions in Clauses 16.5 and 16.6; or
- (b) the Issuer's obligations under Clause 13.8 (*Compliance with laws*), Clause 13.2 (*Admission to trading*), Clause 13.10 (*Undertakings relating to the Agency Agreement*), or Clause 13.11 (*CSD related undertakings*) or, to the extent such provisions relate to the Issuer, the Agent's and the Holders' rights to terminate the Bonds pursuant to paragraph (a) (*Non-payment*), paragraph (d)(ii) (*Insolvency*), paragraph (e) (*Insolvency proceedings*), paragraph (f) (*Merger and demergers*) or paragraph (g) (*Creditors' process*) of Clause 14 (*Termination of the Bonds*).

19.2.3 Redemption of all Bonds in accordance with this Clause 19.2 shall be made by the Issuer giving notice to the Holders in accordance with Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*), but such notice may not contain any conditions precedent following the effectiveness of the waiver.

## **20. REPLACEMENT OF BASE RATE**

### **20.1 General**

20.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Holders in accordance with the provisions of this Clause 20 shall at all times be made by such Independent Adviser, the Issuer or the Holders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

20.1.2 If a Base Rate Event has occurred, this Clause 20 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of EURIBOR.

### **20.2 Definitions**

In this Clause 20:

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

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

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

“**Base Rate Amendments**” has the meaning set forth in Clause 20.3.4.

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

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Holder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*), or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

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

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

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

“**Successor Base Rate**” means:

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

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

### 20.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

20.3.1 Without prejudice to Clause 20.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 20.3.2.

20.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate.

20.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 20.3.2, the Holders shall, if so decided at a Holders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 20.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 20.3 to 20.6, the Agent (acting on the instructions of the Holders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer’s cooperation.



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

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

#### 20.4 **Interim measures**

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

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

20.4.2 For the avoidance of doubt, Clause 20.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20. This will however not limit the application of Clause 20.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 20 have been taken, but without success.

#### 20.5 **Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Holders in accordance with Clause 26 (*Notices and press releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

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

20.6.1 No later than giving the Agent notice pursuant to Clause 20.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 20.3.3) confirming the relevant Successor

Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 20. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Holders.

20.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 20.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Holders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 20.

20.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 20. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

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

Any Independent Adviser appointed pursuant to Clause 20.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

### **21. APPOINTMENT AND REPLACEMENT OF THE AGENT**

#### **21.1 Appointment of Agent**

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

21.1.2 By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

21.1.3 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as 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 Holder which does not comply with such request.

- 21.1.4 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.
- 21.1.5 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 21.1.6 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 21.2 **Duties of the Agent**

- 21.2.1 The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 21.2.2 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 21.2.3 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.4 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Holders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders or any other person and no opinion or advice by the Agent will be binding on the Holders.
- 21.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.6 The Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders 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.
- 21.2.7 The Agent shall, subject to Clause 26.2.2, be entitled to disclose to the Holders 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 Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

- 21.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Agent is to make a determination 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 15 (*Distribution of proceeds*).
- 21.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 21.2.10 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obligated to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.11 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 Holders, 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.
- 21.2.12 The Agent shall give a notice to the Holders (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 (ii) if it refrains from acting for any reason described in Clause 21.2.11.
- 21.2.13 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects. The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other person other than the Agent.
- 21.3 **Limited liability for the Agent**
- 21.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 21.3.2 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 addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 21.3.3 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 Holders, 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.

21.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*) or a demand by the Holders given pursuant to Clause 14.1.

21.3.5 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 Holders under the Finance Documents.

#### 21.4 **Replacement of the Agent**

21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

21.4.2 Subject to Clause 21.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, 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.

21.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

21.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar 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 Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.5 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.

21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

21.4.7 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

Holders 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.

- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, 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. 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.

## **22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 22.1 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.
- 22.2 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.

## **23. THE CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 23.2 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 Holder or the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorised as a central securities depository in accordance with the Central Securities Depository and Financial Instruments Accounts Act.

## **24. NO DIRECT ACTIONS BY HOLDERS**

- 24.1 A Holder may not take any action or any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the liabilities of the Issuer or a Subsidiary under the Finance Documents. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Holders 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 Holder to provide documents in accordance with Clause 21.1.3), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 21.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.12 before a Holder may take any action referred to in Clause 24.1.

- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **25. TIME-BAR**

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

- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **26. NOTICES AND PRESS RELEASES**

### **26.1 Notices**

- 26.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as 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 such address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
  - (c) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior

to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

26.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 26.1.1.

26.1.3 Any notice which shall be provided to the Holders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:

- (a) a cover letter, which shall include:
  - (i) all information needed in order for Holders to exercise their rights under the Finance Documents;
  - (ii) details of where Holders can retrieve additional information (if any);
  - (iii) contact details to the Agent; and
  - (iv) an instruction to contact the Agent should any Holder wish to receive the additional information by regular mail; and
- (b) copies of any document needed in order for Holder to exercise their rights under the Finance Documents or a link to a webpage where Holders can retrieve such documents.

26.1.4 Any notice or other communication to the Holders pursuant to the Finance Documents shall be in English.

26.1.5 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

## 26.2 **Press releases**

26.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3.2, 11.4.1, 13.9.1 (e), 14.6, 14.7, 15.4, 16.15, 17.1, 18.1, 19.1.3, 20.5, 21.2.12 and 21.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.



## **27. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 27.1 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, act of terrorism, pandemic, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 27.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 27.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **28. ADMISSION TO TRADING**

The Issuer intends to have the Initial Bonds and any Subsequent Bonds admitted to trading on Nasdaq Stockholm or on any other Regulated Market within thirty (30) calendar days from the relevant Issue Date. Furthermore, if the Initial Bonds or any Subsequent Bonds have not been admitted to trading on Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the relevant Issue Date, each Holder has a right of repurchase (put option) of all or some of its Bonds subject to and in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure (put option)*). Lastly, the Issuer has in accordance with Clause 13.2 (*Admission to trading*) undertaken to have the Initial Bonds and any Subsequent Bonds admitted to trading on Nasdaq Stockholm or on any other Regulated Market within twelve (12) months after the relevant Issue Date.

## **29. GOVERNING LAW AND JURISDICTION**

- 29.1 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.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

# SCHEDULE 1

## FORM OF COMPLIANCE CERTIFICATE

---

### COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ) as Agent

From: Sensys Gatso Group AB (publ) as Issuer

Date: [date]

Dear Sir or Madam,

**Sensys Gatso Group AB (publ)**  
**Maximum EUR 60,000,000 senior unsecured callable floating rate bonds 2024/2028 with**  
**ISIN: SE0022727095**  
**(the “Bonds”)**

(1) We refer to the terms and conditions for the Bonds (the “**Terms and Conditions**”). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

[(2) We confirm that, so far as we are aware, no Event of Default is continuing.<sup>1</sup>

(3) Based on the Financial Report for the financial year [year], the Material Group Companies of the Group are the following:

[Include list of Material Group Companies.]]<sup>2</sup>

[(2) **Incurrence Test**

This is an Incurrence Test in respect of [*describe relevant Restricted Payment, issuance of Subsequent Bonds or incurrence of Financial Indebtedness which requires that the Incurrence Test is met*] (the “**Incurrence**”). We confirm that the Incurrence Test is met and that in respect of the test date, being [date]<sup>3</sup>:

- (a) [*Net Interest Bearing Debt to EBITDA: Net Interest Bearing Debt was SEK [●], EBITDA was SEK [●] and therefore the ratio Net Interest Bearing Debt to EBITDA was [●] (and should have been equal to or lower than [●])*]<sup>4</sup>; and
- (b) 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 would occur upon the Incurrence,

---

<sup>1</sup> If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

<sup>2</sup> To be provided in connection with the annual audited consolidated financial statements of the Group.

<sup>3</sup> The testing date shall be the date on which the new Financial Indebtedness is incurred or the Restricted Payment is made (as applicable).

<sup>4</sup> Should be equal to or lower than (i) 3.00x if tested on a date falling on or earlier than the date falling thirty-six (36) months after the First Issue Date, and (ii) 2.50x if tested on a date falling after the date falling thirty-six (36) months after the First Issue Date.

in each case including the Incurrence on a *pro forma* basis and otherwise calculated in accordance with Clause 12.3 (*Calculation Principles*).

Computations as to compliance with the Incurrence Test are attached hereto.<sup>5]</sup>

**Sensys Gatso Group AB (publ)**

\_\_\_\_\_  
Name:  
*Authorised signatory*

\_\_\_\_\_  
Name:  
*Authorised signatory*

\_\_\_\_\_  
<sup>5</sup> To include calculations of the relevant test and any adjustments pursuant to Clause 12.3 (*Calculation Principles*).

We hereby certify that the above Terms and Conditions are binding upon ourselves.

**SENSYS GATSO GROUP AB (PUBL)**

as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

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

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

as Agent

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

## ADDRESSES

---

### ISSUER

**Sensys Gatso Group AB (publ)**  
P.O. Box 2174  
SE-550 02 Jönköping, Sweden  
[www.sensysgatso.com](http://www.sensysgatso.com)

### ISSUING AGENT AND SOLE BOOKRUNNER

**Carnegie Investment Bank AB (publ)**  
Regeringsgatan 56  
SE-103 38 Stockholm, Sweden  
[www.carnegie.se](http://www.carnegie.se)

### LEGAL ADVISORS

**Gernandt & Danielsson Advokatbyrå KB**  
P.O. Box 5747  
SE-114 87 Stockholm, Sweden  
[www.gda.se](http://www.gda.se)

**KANTER Advokatbyrå KB**  
P.O. Box 1435  
SE-111 84 Stockholm, Sweden  
[www.kntr.se](http://www.kntr.se)

### AGENT

**Nordic Trustee & Agency AB**  
P.O. Box 7329  
SE-103 90 Stockholm, Sweden  
[www.nordictrustee.se](http://www.nordictrustee.se)

### CENTRAL SECURITIES DEPOSITORY

**Euroclear Sweden AB**  
P.O. Box 191  
SE-101 23 Stockholm, Sweden  
[www.euroclear.com](http://www.euroclear.com)