

**FORTACO****FORTACO GROUP HOLDCO OYJ****Listing of EUR 75,000,000 Senior Secured Bonds Due 2027****The Bonds were issued in denominations of EUR 1,000**

On 22 July 2022, Fortaco Group Holdco Oyj (the “**Issuer**” or the “**Company**”) issued senior secured bonds with an aggregate principal amount of EUR 75,000,000 (the “**Bonds**”) based on an authorization given by the Issuer’s Board of Directors on 3 June 2022. The Bonds were issued in denominations of EUR 1,000. The Bonds were offered for subscription through a book-building procedure that was carried out in July 2022 (the “**Offering**”). The Bonds bear interest at the rate of EURIBOR 3 months plus a margin of 7.00 per cent. per annum. The maturity of the Bonds is on 22 July 2027, unless the Issuer prepays the Bonds in accordance with the terms and conditions of the Bonds. The Bonds are secured by certain assets as described in more detail in the “Terms and Conditions of the Bonds”.

This listing prospectus (the “**Prospectus**”) contains information on the Offering and the Bonds. The Prospectus has been prepared solely for the purpose of admission to listing of the Bonds on the corporate bond list of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) and does not constitute any offering of the Bonds.

Application will be made for the Bonds to be admitted to trading on the corporate bond list of Nasdaq Helsinki (the “**Listing**”), and the Listing is expected to take place on or about 25 May 2023, provided that Nasdaq Helsinki approves the listing application.

**The validity of this Prospectus expires when the Bonds have been admitted to trading on the corporate bond list of Nasdaq Helsinki. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.**

Besides filing this Prospectus with the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) and the application to the Nasdaq Helsinki, neither the Issuer nor the Bookrunner (as defined hereafter) have taken any action, nor will they take any action to render the public offer of the Bonds in any jurisdiction or their possession, or the distribution of this Prospectus or any other documents relating to the Bonds admissible in any other jurisdiction than Finland or Sweden requiring special measures to be taken for the purpose of public offer.

The Bonds have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States. The Bonds may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Neither the Issuer nor the Bonds have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

**Investment in the Bonds involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are discussed under “Risk Factors” below.**

*Bookrunner:*



## IMPORTANT INFORMATION

This Prospectus has been drawn up in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980, in application of the Annexes 6, 14 and 21 thereof. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Finland, has approved the Prospectus (journal number FIVA/2023/760) but assumes no responsibility for the correctness of the information contained herein. The FIN-FSA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the Bonds nor the Issuer. In accordance with Article 7 of the Prospectus Regulation, a summary has been prepared in English and, in accordance with Article 25 of the Prospectus Regulation, the summary has been translated into Finnish. The Issuer accepts responsibility regarding the information contained in the Finnish translation of the summary.

In this Prospectus, “**Fortaco**” and the “**Group**” refer to Fortaco Group Holdco Oyj and its subsidiaries and associated companies, on a consolidated basis, except where the context may otherwise require. All references to the “**Issuer**” and the “**Company**” refer to Fortaco Group Holdco Oyj, except where the context may otherwise require.

This Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus. See “*Information Incorporated by Reference*”.

Pareto Securities AB has acted as the bookrunner in connection with the issue of the Bonds (the “**Bookrunner**”). The Bookrunner is not acting for anyone else in connection with the Offering or the Listing and will not be responsible to anyone other than Fortaco for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Prospectus.

Potential investors should rely only on the information contained in this Prospectus, including information incorporated by reference into this Prospectus. Neither Fortaco nor the Bookrunner have authorized any person to provide any information or to give any statements not contained in or not consistent with this Prospectus and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer and the Bookrunner. The Bookrunner has not independently verified information contained herein. The Bookrunner assumes no responsibility, except for statutory liability, for the accuracy or completeness of the information in this Prospectus and, accordingly, disclaim to the fullest extent permitted by law, any and all liability which it might otherwise be found to have in respect of this Prospectus or any such statement. Delivery of this Prospectus nor any sale made hereunder, shall not, under any circumstances, create any implication that there has been no change in the affairs of Fortaco since the date of this Prospectus or that the information herein is correct as of any time subsequent to the date of this Prospectus (excluding historical information and historical financial information) and nothing contained in this Prospectus is, or shall be relied upon as, a promise by Fortaco or the Bookrunner as to the future. However, if a fault or omission is discovered in this Prospectus before the Listing and such fault or omission may be of material importance to investors, this Prospectus shall be supplemented in accordance with the Prospectus Regulation. Unless otherwise stated, any estimates with respect to market development relating to the Group or its industry are based upon the reasonable estimates of the Company’s management.

In making an investment decision, each investor should rely on their examination, analysis and enquiry of Fortaco and the terms and conditions of the Bonds, including the risks and merits involved. Neither the Issuer, nor the Bookrunner, nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Bonds regarding the legality of the investment by such person. Investors are advised to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Bonds.

This Prospectus has been prepared solely in connection with the Listing. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

The distribution of this Prospectus may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Bonds, or otherwise to permit a public offering of the Bonds, in any jurisdiction. Fortaco and the Bookrunner expect persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Neither the Issuer nor the Bookrunner accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Bonds is aware of such restrictions. In particular the Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to offer the Bonds and this Prospectus may not be sent to any person in the beforementioned jurisdictions.

Save for the Company’s audited consolidated financial statements as at and for the financial period ended 31 December 2022 and Fortaco Group Oy’s audited consolidated financial statements as at and for the financial year ended 31 December 2021 incorporated by reference into this Prospectus, no part of this Prospectus has been audited.

Interest payable on the Bonds will be calculated by reference to EURIBOR. EURIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the “**Benchmark Regulation**”). As at the date of this Prospectus, the administrator of EURIBOR, the European Money Markets Institute, appears on the register of administrators and benchmarks established and maintained by European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Benchmark Regulation.

The Offering and the Bonds are governed by Swedish law and any dispute arising in relation to the Offering and the Bonds shall be settled exclusively by Swedish courts in accordance with Swedish law.

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## SUMMARY

### Introduction and Warnings

*This summary contains all the sections required by the Prospectus Regulation to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.*

*An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. The Issuer assumes civil liability in respect of this summary including translation thereof only if it is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.*

The contact details of the Issuer are as follows:

Issuer:	Fortaco Group Holdco Oyj
Address:	Äyritie 24, FI-01510 Vantaa, Finland
Business code:	3281147-3
Legal entity identifier (LEI):	743700AX3TIWVL1LC349

The details of the Bonds are as follows:

ISIN:	NO0012547274
Name:	Fortaco Group Bonds due 2027

This Prospectus has been approved by the FIN-FSA as the competent authority under the Prospectus Regulation on 23 May 2023.

The identity and contact details of the competent authority, the FIN-FSA, approving the Prospectus are as follows:

Authority:	Financial Supervisory Authority
Address:	P.O. Box 103, FI-00101 Helsinki, Finland
Telephone:	+358 9183 51
Email address:	kirjaamo@finanssivalvonta.fi

### Key Information on the Issuer

#### *Who Is the Issuer of the Securities?*

##### *General*

The business name of the Issuer is Fortaco Group Holdco Oyj and it is domiciled in Helsinki, Finland. The Issuer is registered with the Finnish Trade Register under business identity code 3281147-3 and its legal entity identifier code (LEI) is 743700AX3TIWVL1LC349. The Issuer is a public limited liability company incorporated in Finland and operating under Finnish law.

##### *Principal Activities*

The Issuer is a holding company of Fortaco Group Oy and its subsidiaries (“**Fortaco Group**“, and the Issuer with Fortaco Group, “**Fortaco**“). The Issuer acquired Fortaco Group on 30 September 2022. Fortaco Group is a brand-independent strategic partner to original equipment manufacturers (“**OEM**“), operating in the heavy-off highway equipment and marine industries. Fortaco’s offering includes vehicle cabins, steel fabrications, assemblies, and

technology services as well as zero emission solutions with the main focus areas on fossil-free steel applications, lightweight structures, circular economy, and e-mobility.

Fortaco serves customers across a variety of industrial sectors, like agriculture, construction equipment, container handling, defense, forestry, material handling, marine and energy, mining, and recycling. Fortaco Group's complete value chain solutions include research & development, project management, engineering, prototyping, manufacturing, surface treatment, testing, sourcing, dispatch, and aftermarket services. Fortaco Group partners with its customers' development teams in discussions relating to product design and R&D, making it a Tier 0.5 partner. Fortaco Group's business offerings accounted for the following shares of the external net sales of Fortaco Group in 2022: Steel Fabrication 68 per cent., Vehicle Cabin 25 per cent., Assembly 6 per cent., and Technology 1 per cent (excluding the impact of the minority stake in Buisard S.A.S owned by Fortaco Group)<sup>1</sup>.

### *Major Shareholders*

As at the date of this Prospectus, OEP 81 B.V. (established 8 April 2022, registered with the trade register of the Dutch Chamber of Commerce under number 86072269) controls 100 per cent. of the shares in the Issuer. Accordingly, OEP 81 B.V. has control over the Issuer as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act (Fi: *arvopaperimarkkinalaki*, 746/2012).

### *Key Managing Directors and Statutory Auditors*

The sole member of the Board of Directors of the Issuer is Lars Hellberg. The sole deputy member of the Board of Directors of the Issuer is Kimmo Raunio.

The Issuer's Supervisory Board consists of Panu Routila (Chairman), Marc Lindhorst, Johann-Melchior von Peter, Sebastian Schatton and Markus Sjöholm.

The Issuer's Group Management Team consists of Lars Hellberg (Chief Executive Officer), Kimmo Raunio, Agnieszka Koziara, Krzysztof Michel, Mikael Persson and Rafal Sornek.

The Issuer's statutory auditor is Ernst & Young Oy, Authorized Public Accountant Firm, with Anders Svennas, Authorised Public Accountant, as the auditor with principal responsibility. The registered address of Ernst & Young Oy is Alvar Aallon katu 5 C, FI-00100 Helsinki, Finland.

### *What Is the Key Financial Information Regarding the Issuer?*

The selected historical key financial information presented below has been derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2022, Fortaco Group Oy's unaudited consolidated financial information as at and for the financial year ended 31 December 2022, as well as Fortaco Group Oy's audited consolidated financial statements as at and for the financial year ended 31 December 2021.

The following table sets forth the key figures of the Issuer and Fortaco Group Oy for the dates and periods indicated. As the Issuer was established on 12 April 2022, consolidated financial information of Fortaco Group Oy is presented for comparative purposes. The Issuer acquired Fortaco Group Oy on 30 September 2022.

	<b>The Issuer</b>	<b>Fortaco Group Oy</b>	
	<b>As at and for the year ended 31 December 2022</b>	<b>As at and for the year ended 31 December</b>	
<b>(EUR in millions, unless otherwise indicated)</b>	<b>2022 (audited)</b>	<b>2022 (unaudited)</b>	<b>2021 (audited)</b>
<b>KEY FIGURES</b>			
Revenue	94.9	332.4	235.7
Operating profit	-3.1	12.5	14.7
Net debt	51.9	2.6	50.9
Net cash from operating activities	7.0	15.3	18.9

<sup>1</sup> Figures are unaudited.

Net cash used in financing activities	72.5	5.8	-3.1
Net cash used in investing activities	-51.3	-16.0	-13.2

***What Are the Key Risks That Are Specific to the Issuer, Guarantors and other members the Group?***

- The price and availability of raw materials, commodities and energy are subject to external factors and may lead to increased costs for the Group or decrease customer demand.
- The Group is largely dependent on its key customers and the loss of any such clients could lead to substantial decrease in the Group's revenues.
- Disruptions or delays in the Group's production could lead to increased operation costs or reduced production capacity as well as liability risks and reputational damage for the Group.
- The Group is dependent on services provided by third-party suppliers, partners, or sub-contractors and changes relating to the availability, quality and/or price of such services could lead to increased costs for the Group.
- Economic downturn and uncertainty on the international financial markets may cause a decreased demand for the Group's products and services.
- Any disruptions or failure of information technology systems could result in increased costs and/or business interruptions in the Group's business operations.
- Failure in recruitment or being unable to retain key personnel could result in the Group being unable to pursue its business operations as planned.
- The Issuer may not be able to refinance its debt obligations or generate sufficient cash-flow, which could, in each case, result in the Issuer not being able to continue operations.
- The Group may not have sufficient hedging arrangements relating to interest rates and is thus exposed to interest rate risk.
- The Issuer may not be able to secure sufficient working capital to meet its capital expenditure requirements.

**Key Information on the Securities**

***What Are the Main Features of the Securities?***

The Bonds constitute direct and secured obligations of the Issuer ranking *pari passu* among themselves and at least *pari passu* with the unsecured obligations of the Issuer, save for obligations which are preferred by mandatory provisions of law and, after the entering into of an intercreditor agreement in accordance with the Terms and Conditions of the Bonds (the "**Intercreditor Agreement**"), subject to the super senior ranking of certain debt in accordance with the Terms and Conditions of the Bonds.

In the event of the bankruptcy of the Issuer (or another enforcement event of security provided in accordance with the Terms and Conditions of the Bonds (the "**Transaction Security**"), the Bondholders will receive proceeds from the enforcement of the Transaction Security, payments under any guarantee or proceeds from any other enforcement action before the unsecured creditors of the Issuer. In the event the Intercreditor Agreement has been entered into, the Bondholders will receive proceeds from the enforcement of the Transaction Security, payments under any guarantee or proceeds from any other enforcement action only after the creditors of super senior debt have been paid in full.

The Bonds are dematerialized securities registered in the book-entry securities system maintained by Verdipapirsentralen ASA. The ISIN of the Bonds is NO0012547274. The currency of the Bonds is the euro. The Bonds were issued in denominations of EUR 1,000 and the aggregate nominal amount of the issued Bonds is EUR 75,000,000. All Bonds issued on 22 July 2022 (the "**Initial Bonds**") were issued at an issue price of 96 per cent. of the nominal amount of the Bonds (the "**Nominal Amount**") in accordance with the Terms and Conditions of the Bonds. The minimum permissible investment in the issuance of the Initial Bonds was EUR 100,000. The number of the issued Bonds is 75,000. The maturity of the Bonds is on 22 July 2027 unless the Issuer prepays the Bonds in accordance with the terms and Conditions of the Bonds.

The Bonds bear interest at the rate of EURIBOR 3-months plus a margin of 7.00 per cent. per annum. The interest on the Bonds will be paid quarterly in arrears which commenced on 22 October 2022 and thereafter on each 22 January, 22 April, 22 July, and 22 October.

The Issuer may at one or more occasions issue additional bonds (the "**Subsequent Bonds**") provided, in each case, that the incurrence test set out in the Terms and Conditions of the Bonds is met. Subsequent Bonds shall benefit from and be subject to the same finance documents as the Bonds, and, for the avoidance of doubt, the ISIN, the interest rate, the Nominal Amount and the maturity applicable to the Initial Bonds shall apply to Subsequent

Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to interest in accordance with the Terms and Conditions of the Bonds, and otherwise have the same rights as the Initial Bonds.

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

### ***Where Will the Securities Be Traded?***

The Bonds are admitted to trading on the Open Market of the Frankfurt Stock Exchange and an application will be made to have the Bonds listed on the corporate bonds list of Nasdaq Helsinki and the Listing is expected to take place on or about 25 May 2023, provided that Nasdaq Helsinki approves the listing application.

### ***Is There a Guarantee Attached to the Securities?***

The Issuer and certain material Group companies have granted Transaction Security under certain security agreements with Nordic Trustee & Agency AB (publ) as the security agent (all such agreements together the “**Security Documents**”) and issued guarantees under a guarantee and adherence agreement with Nordic Trustee & Agency AB (publ) as the security agent (the “**Guarantee and Adherence Agreement**”) (the “**Guarantees**”) for the due and punctual fulfilment of certain obligations in accordance with the Terms and Conditions of the Bonds. As at the date of this Prospectus, the Transaction Security consists of pledges of shares in certain Group companies, security over certain material intra-group loan receivables, business mortgages and real property mortgages over assets of certain Group companies and pledge over certain accounts in accordance with the Terms and Conditions of the Bonds.

The Guarantees and the Transaction Security have been granted subject to certain specific limitations set out in the Guarantee and Adherence Agreement and the Security Documents, as applicable, as well as certain limitation imposed by local law requirements in certain jurisdictions.

Pursuant to the Terms and Conditions of the Bonds, in case the Issuer or any other member of the Group would enter into a super senior revolving credit facility (the “**Super Senior RCF**”) in accordance with the Terms and Conditions of the Bonds, an Intercreditor Agreement shall be entered into. The Transaction Security and the Guarantees are shared among the Bondholders, the agent in accordance with the Terms and Conditions of the Bonds, the lender under the Super Senior RCF (if any) or any subsequent Super Senior RCF, each hedging counterparty under certain hedging agreements (the “**Hedging Agreements**”) (if any), creditors under any new debt granted in accordance with the Terms and Conditions of the Bonds, and the security agent in accordance with the Terms and Conditions of the Bonds. Pursuant to the intercreditor principles appended to the Terms and Conditions of the Bonds, in the event the Intercreditor Agreement is entered into, the Bondholders will in certain situations, for example in case of an enforcement of Transaction Security or Guarantees, receive payment only after certain fees and costs as well as accrued interest and principal under the Super Senior RCF or the Hedging Agreement or payable to the super senior creditors under the Intercreditor Agreement and the Security Documents have been repaid in full.

The entities that have issued Guarantees as at the date of this Prospectus (the “**Guarantors**”) are detailed in table below. The financial information presented of the Guarantors is derived from separate audited financial statements of each entity in question for financial year ended 31 December 2022 in accordance with applicable local generally accepted accounting principles, except for the net debt figure of each entity which are unaudited and the cash flow figures of Fortaco Group Oy and Fortaco Oy which are based on the audited profit and loss statement and balance sheet figures for the financial year 2022 from which the consolidation program calculates the unaudited cash flow figures. The table below is presented in EUR thousands<sup>2</sup>.

<b>Guarantor (LEI)</b>	<b>Country, reg.no.</b>	<b>Revenue</b>	<b>Operating profit</b>	<b>Net debt<sup>3</sup></b>	<b>Net cash from operating activities</b>	<b>Net cash used in financing activities</b>	<b>Net cash used in investing activities</b>
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<sup>2</sup> Figures of Fortaco Sp. z o.o. have been converted from Polish Zloty (PLN) to euros.

<sup>3</sup> Net debt calculated as net amount of bank loans, capital loans, acquisitions debts, earn out debt, cash pool debt, intra-group loans (excluding capital loans), cash and cash equivalents, cash pool receivables, and pledged cash and cash equivalents.

Issuer (743700AX3TIW VL1LC349)	Finland, 3281147-3	0	-69.8	49,382.5	-3,709.3	77,147.8	-63,883.6
Fortaco Group Oy (743700RT1GS13 GE8XA81 (LEI passive))	Finland, 2083946-0	0	-638.5	84,509.3	-4,082.9	19,337.1	-10,832.1
Fortaco Ostrobothnia Oy (N/A)	Finland, 2507338-8	76,093.9	4,226.6	-17,328.2	997.3	0	-997.3
Fortaco Oy (743700IOIVESJ K9E6D80)	Finland, 1770554-1	14,213.8	-2,024.2	26,758.3	-2,854.2	1,953.6	900.6
Fortaco Sp. z o.o. (N/A)	Poland, 0000387337	69,732.7	1,596.5	-3,067.9	2,211.5	82.5	-1,653.4
Fortaco Estonia OÜ (N/A)	Estonia, 12214574	74,035.1	4,574.3	1,526.2	2,152.5	-1,367.0	-2,239.8

### ***What Are the Key Risks That Are Specific to the Securities?***

- The Issuer is dependent on its subsidiaries to make payments under the Bonds.
- The bondholders carry a credit risk relating to the Issuer which may not be able to make payments under the Bonds, including repurchase made pursuant to the put option.
- The Transaction Security and Guarantees may be insufficient to cover all the obligations secured thereby and the enforcement of the Transaction Security and Guarantees may be subject to mandatory law.
- The Issuer may incur additional debt which will, in accordance with the terms of an Intercreditor Agreement, rank senior to the Bonds, and any enforcement proceeds are subject to certain waterfall provisions set out in the Intercreditor Agreement.
- Security granted to third parties may have an adverse effect on the security granted for the benefit of the bondholders.

### **Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market**

#### ***Under Which Conditions and Timetable Can I Invest in This Security?***

The Bonds were offered for subscription through a book-building procedure in a minimum amount of EUR 100,000. The Bonds were issued on 22 July 2022.

The Bonds may be registered on behalf of the Bondholders on book-entry accounts and transfers of Bonds may only be effected through, and title thereto will only pass upon, registration and transfer in such book-entry accounts.

In connection with the Offering, the Issuer paid approximately a total of EUR 1.3 million in fees and expenses. In connection with the Listing, the Issuer has further paid approximately a total of EUR 0.8 million in fees and expenses. No fees or other payments will be charged to the investor by the Issuer. Account operators may charge fees in accordance with their price lists for the subscription and opening and maintaining of the book-entry account or other custody system and for custody of the Bonds.

#### ***Why Is This Prospectus Being Produced?***

The Issuer has prepared and published this Prospectus in order to apply for the trading of the Bonds to the corporate bonds list of Nasdaq Helsinki.

The aggregate net proceeds to the Issuer from the Offering, after deduction of the fees and expenses payable by the Issuer, were approximately EUR 64 million (the total subscribed nominal amount of Bonds being 75 million of which the Issuer subscribed Bonds in the aggregate nominal amount of EUR 6 million).

The proceeds have, on or about the issue date, been used for acquiring 100 per cent. of the shares in Fortaco Group Oy and for general corporate purposes.



### ***Material Interests***

The interests of the Bookrunner are normal business interests in the financial markets.

The Bookrunner and/or its representatives may hold shares, options or other securities of the Group and may, as principal or agent, buy or sell such securities. The Bookrunner may have other financial interests in transactions involving these securities or the Group.

The Issuer and any other member of the Group may, subject to applicable laws, purchase Bonds. It should be noted that the Group may have interests that conflict with other bondholders particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

## TIIVISTELMÄ

### Johdanto ja varoitukset

*Tämä tiivistelmä sisältää kaikki ne osiot, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää Euroopan parlamentin ja neuvoston asetuksen (EU) 2017/1129 (“**Esiteasetus**”) mukaisesti. Tätä tiivistelmää tulee lukea esitteen johdantona. Sijoittajan tulee perustaa päätöksensä sijoittaa arvopapereihin esitteeseen kokonaisuutena.*

*Arvopapereihin sijoittava sijoittaja voi menettää kaiken tai osan sijoitetusta pääomasta. Jos tuomioistuimessa pannaan vireille esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi sovellettavan lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan esitteen käännöskustannuksista. Liikkeeseenlaskija vastaa siviilioikeudellisesti tästä tiivistelmästä vain, jos tiivistelmä luettuna yhdessä esitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epäjohdonmukainen tai jos tiivistelmässä ei luettuna yhdessä esitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista arvopapereihin.*

Liikkeeseenlaskijan yhteystiedot ovat seuraavat:

Liikkeeseenlaskijan nimi:	Fortaco Group Holdco Oyj
Osoite:	Äyritie 24, 01510 Vantaa
Yritys- ja yhteisötunnus:	3281147-3
Oikeushenkilötunnus (LEI-tunnus):	743700AX3TIWVL1LC349

Velkakirjojen (“**Velkakirjat**”) tiedot ovat seuraavat:

ISIN:	NO0012547274
Nimi:	Fortaco Group Bonds due 2027

Finanssivalvonta on toimivaltaisena viranomaisena hyväksynyt tämän esitteen (“**Esite**”) Esiteasetuksen mukaisesti 23.5.2023.

Toimivaltaisen viranomaisen eli Finanssivalvonnan, joka hyväksyy Esitteen, yhteystiedot ovat seuraavat:

Viranomainen:	Finanssivalvonta
Osoite:	PL 103, 00101 Helsinki, Suomi
Puhelinnumero:	+358 9183 51
Sähköpostiosoite:	kirjaamo@finanssivalvonta.fi

### Keskeisiä tietoja liikkeeseenlaskijasta

#### ***Kuka on arvopapereiden liikkeeseenlaskija?***

##### *Yleistä*

Liikkeeseenlaskijan rekisteröity toiminimi on Fortaco Group Holdco Oyj (“**Liikkeeseenlaskija**”) ja sen kotipaikka on Helsinki. Liikkeeseenlaskija on rekisteröity Patentti- ja rekisterihallituksen ylläpitämään kaupparekisteriin y-tunnuksella 3281147-3 ja oikeushenkilötunnuksella (LEI-tunnus) 743700AX3TIWVL1LC34. Liikkeeseenlaskija on julkinen osakeyhtiö, joka on perustettu Suomessa ja siihen sovelletaan Suomen lakia.

##### *Pääasiallinen liiketoiminta*

Liikkeeseenlaskija on Fortaco Group Oy:n ja tämän tytäryhtiöiden (“**Fortaco Group**”), yhdessä Liikkeeseenlaskijan kanssa “**Fortaco**”) hallinnointiyhtiö. Liikkeeseenlaskija hankki Fortaco Groupin omistukseensa 30.9.2022.

Fortaco Group on brändeistä riippumaton, strateginen kumppani raskaiden työkoneiden ja meriteollisuuden laitevalmistajille. Fortaco tarjoaa työkoneiden ohjaamovalmistusta, asennusvalmiita teräsrakenteita,

kokoonpanopalveluita sekä teknologiaosaamista ja nollapäästöisiä ratkaisuja, joissa pääalueina fossiilivapaan teräksen sovellukset, kevyet rakenteet, kiertotalous ja sähköinen liikkuminen (e-mobility).

Fortacon asiakkaat toimivat useilla teollisuuden aloilla, kuten maatalous, rakennuskone-, kontinkäsittely-, puolustusvälineiteollisuus, metsätalous, meri- ja energiateollisuus, materiaalinkäsittely ja kaivostoiminta. Fortaco Groupin arvoketjuun kuuluvat tutkimus ja kehitys, projektinhallinta, suunnittelu, prototyyppien valmistus, tuotevalmistus, pintakäsittely, testaus, hankintatoiminnot, toimitukset ja jälkimarkkinapalvelut. Lisäksi Fortaco tekee yhteistyötä asiakkaiden kehitystiimien kanssa muun muassa tuotteiden suunnittelussa ja kehityksessä, mikä tekee Fortacosta Tier 0.5 -kumppanin OEM-laitevalmistajille. Fortaco Groupin liiketoimintojen osuudet liikevaihdosta vuonna 2022 olivat: asennusvalmiiden teräskomponenttien valmistus 68 prosenttia, työkonoiden ohjaamovalmistus 25 prosenttia, kokoonpanopalvelut 6 prosenttia ja teknologiapalvelut 1 prosentti (ilman Fortaco Groupin omistaman Buisard S.A.S:n vähemmistöosuuden vaikutusta)<sup>4</sup>.

#### *Suurimmat osakkeenomistajat*

Tämän Esitteen päivämääränä koko Liikkeeseenlaskijan osakekannan omistaa OEP 81 B.V. (perustettu 8.4.2022, rekisteröity Dutch Chamber of Commerce:n ylläpitämään kaupparekisteriin tunnuksella 86072269). Täten OEP 81 B.V.:llä on arvopaperimarkkinalain (746/2012) 2 luvun 4 §:n mukainen määräysvalta Liikkeeseenlaskijassa.

#### *Johdon avainhenkilöt ja tilintarkastaja*

Liikkeeseenlaskijan hallituksen ainoa varsinainen jäsen on Lars Hellberg. Liikkeeseenlaskijan hallituksen ainoa varajäsen on Kimmo Raunio.

Liikkeeseenlaskijan hallintoneuvoston jäsenet ovat Panu Routila (puheenjohtaja), Marc Lindhorst, Johann-Melchior von Peter, Sebastian Schatton ja Markus Sjöholm.

Liikkeeseenlaskijan johtoryhmään kuuluvat Lars Hellberg (toimitusjohtaja), Kimmo Raunio, Agnieszka Koziara, Krzysztof Michel, Mikael Persson ja Rafal Sornek.

Yhtiön lakisääteinen tilintarkastaja on tilintarkastusyhteisö Ernst & Young Oy, KHT Anders Svénnasin toimiessa päävastuullisena tilintarkastajana. Ernst & Young Oy:n osoite on Alvar Aallon katu 5 C, 00100 Helsinki.

#### *Mitä ovat liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?*

Alla esitettävät valikoidut historialliset taloudelliset tiedot ovat peräisin Liikkeeseenlaskijan tilintarkastetusta konsernitilinpäätöksestä 31.12.2022 päättyneeltä tilikaudelta, Fortaco Group Oy:n tilintarkastamattomista konsolidoiduista taloudellisista tiedoista 31.12.2022 päättyneeltä tilikaudelta, sekä Fortaco Group Oy:n tilintarkastetusta konsernitilinpäätöksestä 31.12.2021 päättyneeltä tilikaudelta.

Seuraavassa taulukossa esitetään Liikkeeseenlaskijan ja Fortaco Group Oy:n keskeisiä tunnuslukuja ilmoitettuina päivinä ja ajanjaksoina. Koska Liikkeeseenlaskija on perustettu 12.4.2022, taulukossa esitetään vertailukohtana Fortaco Group Oy:n konsolidoidut taloudelliset tiedot. Liikkeeseenlaskija hankki Fortaco Group Oy:n osakekannan 30.9.2022.

	<b>Liikkeeseenlaskija</b>	<b>Fortaco Group Oy</b>	
	<b>31.12. ja 31.12. päättynyt vuosi</b>	<b>31.12. ja 31.12. päättynyt vuosi</b>	
<b>(miljoonaa euroa, ellei toisin mainittu)</b>	<b>2022 (tilintarkastettu)</b>	<b>2022 (tilintarkastamaton)</b>	<b>2021 (tilintarkastettu)</b>
<b>TALOUDELLISET TUNNUSLUVUT</b>			
Liikevaihto	94,9	332,4	235,7
Liikevoitto	-3,1	12,5	14,7
Nettovelka	51,9	2,6	50,9
Liiketoiminnan rahavirta	7,0	15,3	18,9
Rahoituksen rahavirta	72,5	5,8	-3,1
Investointien rahavirta	-51,3	-16,0	-13,2

<sup>4</sup> Luvut ovat tilintarkastamattomia.

***Mitkä ovat Liikkeeseenlaskijaan, Takaajiin (kuten määritelty alla) ja muihin konserniyhtiöihin liittyvät olennaiset riskit?***

- Materiaalien, hyödykkeiden ja energian hinta sekä saatavuus ovat alttiita ulkoisille tekijöille, mikä voi johtaa korkeampiin kustannuksiin Fortacolle tai laskea asiakaskysyntää.
- Fortaco on suuresti riippuvainen avainasiakkaistaan, joiden menetys voi johtaa Fortacon liikevaihdon merkittävään laskuun.
- Häiriöt tai viivästykset Fortacon tuotannossa voivat johtaa korkeampiin toimintakustannuksiin tai vähentyneeseen tuotantokapasiteettiin Fortacon vastuiden ja mainehaittojen lisäksi.
- Fortaco on riippuvainen kolmansien osapuolten, kumppanien sekä alihankkijoiden tuottamista palveluista, ja muutokset tällaisten palveluiden saatavuudessa, laadussa ja/tai hinnassa voivat johtaa korkeampiin kustannuksiin Fortacolle.
- Taloudellinen laskusuhdanne ja epävarmuus kansainvälisillä rahoitusmarkkinoilla voi johtaa Fortacon tuotteiden ja palveluiden kysynnän laskuun.
- Mahdolliset häiriöt tai viat Fortacon käyttämissä informaatiojärjestelmissä voivat johtaa korkeampiin kustannuksiin ja/tai Fortacon liiketoimintojen toiminnan keskeytyksiin.
- Epäonnistuminen työntekijöiden rekrytoinnissa tai avainhenkilöiden säilyttämisessä Fortacon palveluksessa voivat johtaa siihen, ettei Fortaco pysty toteuttamaan yritystoimintaansa kuten se on suunnitellut.
- Liikkeeseenlaskija ei välttämättä pysty uudelleenrahoittamaan velkavastuitaan tai kerryttämään riittävää kassavirtaa, mikä voi johtaa siihen, ettei Liikkeeseenlaskija pysty jatkamaan toimintaansa.
- Fortacon korkotasoon liittyvät suojausjärjestelyt eivät välttämättä ole riittävät, jonka seurauksena Fortaco on altis korkotasojen nousuun liittyvälle riskille.
- Liikkeeseenlaskija ei välttämättä pysty hankkimaan riittävää käyttöpääomaa kattaakseen pääomakustannustarpeitaan.

**Keskeiset tiedot arvopapereista**

***Mitkä ovat arvopapereiden keskeiset ominaisuudet?***

Velkakirjat ovat Liikkeeseenlaskijan suoria ja vakuudellisia velvoitteita, jotka ovat samanarvoisia keskenään ja jotka ovat etuoikeusjärjestyksessä vähintään samalla sijalla Liikkeeseenlaskijan vakuudettomien velvoitteiden kanssa, lukuun ottamatta sellaisia velvoitteita, joilla on etuoikeus pakottavan lain nojalla ja, Velkakirjojen ehtojen ("Ehdot") mukaisen velkojen välisen sopimuksen ("**Velkojen Välinen Sopimus**") tekemisen jälkeen, lukuun ottamatta Ehtojen mukaisia velvoitteita, joilla on super senior -etuoikeusasema.

Liikkeeseenlaskijan konkurssin tapauksessa (tai minkään muun Vakuuksien (kuten määritelty alla) täytäntöönpanotoimen tapauksessa) Velkakirjojen haltijat saavat maksusuorituksen Vakuuksien täytäntöönpanosta, minkään takauksen perusteella tehdystä maksusta tai mistään muustakaan täytäntöönpanotoimesta saaduista varoista ennen Liikkeeseenlaskijan vakuudettomia velkoja. Siinä tapauksessa, että Ehtojen mukainen velkojen välinen sopimus ("**Velkojen Välinen Sopimus**") on solmittu, Velkakirjojen haltijat saavat maksusuorituksen Vakuuksien täytäntöönpanosta, minkään takauksen perusteella tehdystä maksusta tai mistään muustakaan täytäntöönpanotoimesta saaduista varoista vasta, kun super senior -etuoikeusasemassa olevat velvoitteet on maksettu takaisin täysimääräisesti.

Velkakirjat on rekisteröity Verdipapirsentralen ASA:n ylläpitämään arvo-osuusjärjestelmään eikä niistä ole annettu fyysisiä velkakirjoja. Velkakirjojen ISIN on NO0012547274. Velkakirjojen valuutta on euro. Velkakirjojen yksikkö on 1.000 euroa ja liikkeeseen laskettujen Velkakirjojen yhteenlaskettu nimellisarvo on 75.000.000 euroa. Kaikki Velkakirjat, jotka laskettiin liikkeeseen 22.7.2022, laskettiin liikkeeseen hinnalla, joka vastaa 96 prosenttia kunkin velkakirjan nimellisarvosta Ehtojen mukaisesti. Velkakirjojen vähimmäismerkintähinta liikkeeseen laskemisen yhteydessä oli 100.000 euroa. Velkakirjoja laskettiin liikkeeseen yhteensä 75.000 kappaletta. Velkakirjojen eräpäivä on 22.7.2027 ellei Liikkeeseenlaskija maksa Velkakirjoja takaisin Ehtojen mukaisesti.

Velkakirjoille maksetaan vuosittaista korkoa, joka koostuu kolmen kuukauden euribor-korosta sekä 7,00 prosentin marginaalista. Velkakirjolle kertyvä korko maksetaan neljännesvuosittain, alkaen 22.10.2022 ja tämän jälkeen 22.1., 22.4., 22.7. ja 22.10. kunkin vuonna.

Liikkeeseenlaskija voi laskea liikkeeseen yhdessä tai useammassa erässä lisää velkakirjoja (**“Lisävelkakirjat”**) mikäli Ehtojen mukaiset edellytykset täyttyvät kutakin erää kohden. Lisävelkakirjojen eduksi ovat ja niitä sitovat samat rahoitusasiakirjat kuin alkuperäisiä Velkakirjoja, ja Lisävelkakirjoilla on sama ISIN, korkokanta, nimellisarvo ja eräpäivä kuin alkuperäisillä Velkakirjoilla. Lisävelkakirjat voidaan laskea liikkeeseen nimellisarvoa matalampaan tai korkeampaan hintaan. Kukin Lisävelkakirja oikeuttaa haltijansa saamaan korkoa Ehtojen mukaisesti sekä sisältää muutenkin samat oikeudet kuin alkuperäiset Velkakirjat.

Velkakirjat ovat vapaasti luovutettavissa siltä osin kuin Velkakirjojen haltijoiden oikeutta ostaa tai luovuttaa Velkakirjoja ei ole soveltuvassa paikallisessa lainsäädännössä rajoitettu. Kukin Velkakirjojen haltija on velvollinen omalla kustannuksellaan huolehtimaan edellä mainittujen rajoitusten noudattamisesta.

### ***Missä arvopapereilla tullaan käymään kauppaa?***

Velkakirjat on otettu kaupankäynnin kohteeksi Frankfurtin pörssin Open Market -markkinapaikalla, ja hakemus Velkakirjojen ottamiseksi kaupankäynnin kohteeksi Nasdaq Helsinki Oy:n (**“Nasdaq Helsinki”**) ylläpitämällä joukkovelkakirjalainojen listalla (**“Listaus”**) tullaan tekemään ja Listauksen arvioidaan tapahtuvan 25.5.2023 sillä edellytyksellä, että Nasdaq Helsinki hyväksyy hakemuksen.

### ***Arvopapereihin liittyvät takaukset***

Liikkeeseenlaskija ja erät materiaaliset Konserniin kuuluvat yhtiöt ovat antaneet vakuuksia eräiden Nordic Trustee & Agency AB (publ):n, vakuusagenttina, kanssa solmittujen vakuussopimusten (**“Vakuusasiakirjat”**) ehtojen mukaisesti (**“Vakuudet”**) sekä antaneet takauksen Nordic Trustee & Agency AB (publ):n, vakuusagenttina, kanssa solmitun takaussopimuksen (**“Takaussopimus”**) ehtojen mukaisesti (**“Takaukset”**) Velkakirjojen ehdoissa määritellyistä vastuista. Tämän esitteen päivämääränä Vakuudet koostuvat eräiden Konserniin kuuluvien yhtiöiden osakkeisiin ja omaisuuteen kohdistuvista panteista, tiettyihin materiaaliisiin konsernilainoihin kohdistuvista panteista, sekä yritys- ja kiinteistökiinnityksistä sekä eräiden Velkakirjojen ehtojen mukaisten pankkitilien panttauksesta.

Takauksia ja Vakuuksia rajoittavat erät Takaussopimuksessa ja Vakuusasiakirjoissa olevat sekä erät paikallisesta lainsäädännöstä johtuvat takausten ja vakuuksien antoa koskevat rajoitukset.

Ehtojen mukaisesti, mikäli Liikkeeseenlaskija tai mikään Konsernin yhtiö solmii Ehtojen mukaisen super senior -luottolimiittisopimuksen, tulee Liikkeeseenlaskijan solmia Velkojen Välinen Sopimus. Vakuudet ja Takaukset jaetaan Velkakirjojen haltijoiden sekä Velkakirjojen ehdoissa määritellyn agentin, mahdollisten super senior -luottolimiittisopimusten lainantajien, mahdollisten suojaussopimusten suojausosapuolten, tiettyjen Ehtojen mukaisten uusien lainantajien ja Vakuusasiakirjojen ja Velkojen Välinen Sopimuksen vakuusagentin välillä. Mikäli Velkojen Välinen Sopimus solmitaan, Ehtojen liitteenä olevien velkojen välisten periaatteiden mukaisesti Velkakirjojen haltijoilla ei ole kaikissa tilanteissa parasta etusijaa Vakuuksien ja Takausten täytäntöönpanosta saataviin varoihin, vaan Velkakirjojen haltijat saavat suorituksen täytäntöönpanotilanteissa vasta kun tietyt palkkiot ja kulut sekä mahdollisten Super Senior -luottolimiittisopimusten, suojaussopimusten ja Velkojen Välinen Sopimuksen alla maksettavat pääomat näille kertyneine korkoineen on maksettu takaisin täysimääräisesti.

Yhtiöiden, jotka ovat antaneet Takauksia (**“Takaajat”**), tiedot on esitetty alla olevassa taulukossa. Takaajista esitetyt taloudelliset tiedot perustuvat kunkin yhtiön 31.12.2022 päättyneen tilikauden tilintarkastettuun tilinpäätökseen, jotka on laadittu soveltuvien paikallisten yleisesti hyväksytyjen kirjanpitoperiaatteiden mukaisesti, pois lukien kunkin yhtiön nettovelkaluku, joita ei ole tilintarkastettu, sekä Fortaco Group Oy:n ja Fortaco Oy:n rahavirtatunnusluvut, jotka perustuvat tilikauden 2022 tilintarkastettuihin tuloslaskelman ja taseen lukuihin, joiden pohjalta konsolidointiohjelma laskee tilintarkastamattomat rahavirtatunnusluvut. Alla oleva taulukko on esitetty tuhansissa euroissa<sup>5</sup>.

<b>Takaaja (LEI-tunnus)</b>	<b>Maa, rekisteri-tunnus</b>	<b>Liike-vaihto</b>	<b>Liike-voitto</b>	<b>Netto-velka<sup>6</sup></b>	<b>Liike-toiminnan rahavirta</b>	<b>Rahoituk-sen rahavirta</b>	<b>Investoin-tien rahavirta</b>
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<sup>5</sup> Fortaco Sp. z o.o.:n luvut on konvertoitu Puolan zlotyistä (PLN) euroiksi.

<sup>6</sup> Nettovelka laskettuna seuraavien erien nettosummana: pankkilainat, pääomalainat, yrityskauppavelat, earn out -velka, cash pool -velka, sisäiset lainat (pois lukien pääomalainat), rahat ja pankkisaamiset, cash pool -saatavat, ja pantatut rahat ja pankkisaamiset.

Liikkeeseenlaskija (743700AX3TIW VL1LC349)	Finland, 3281147-3	0	-69,8	49 382,5	-3 709,3	77 147,8	-63 883,6
Fortaco Group Oy (743700RT1GS13 GE8XA81 (passiivinen))	Finland, 2083946-0	0	-638,5	84 509,3	-4 082,9	19 337,1	-10 832,1
Fortaco Ostrobothnia Oy (N/A)	Finland, 2507338-8	76 093,9	4 226,6	-17 328,2	997,3	0	-997,3
Fortaco Oy (743700IOIVESJ K9E6D80)	Finland, 1770554-1	14 213,8	-2 024,2	26 758,3	-2 854,2	1 953,6	900,6
Fortaco Sp. z o.o. (N/A)	Poland, 0000387337	69 732,7	1 596,5	-3 067,9	2 211,5	82,5	-1 653,4
Fortaco Estonia OÜ (N/A)	Estonia, 12214574	74 035,1	4 574,3	1 526,2	2 152,5	-1 367,0	-2 239,8

#### ***Mitkä ovat arvopapereihin liittyvät keskeiset riskit?***

- Liikkeeseenlaskija on riippuvainen tytäryhtiöstään Velkakirjojen mukaisten maksujen suorittamiseksi.
- Velkakirjojen haltijat kantavat Liikkeeseenlaskijaa koskevan luottoriskin, sillä Liikkeeseenlaskija ei välttämättä pysty suorittamaan Velkakirjojen mukaisia maksuja, mukaan lukien myyntioption perusteella tehtävien takaisinostojen yhteydessä.
- Vakuudet ja Takaukset eivät välttämättä riitä kattamaan kaikkia velvoitteita, joiden vakuudeksi ne on annettu, ja pakottava lainsäädäntö voi rajoittaa Vakuuksien ja Takauksien täytäntöönpanoa.
- Liikkeeseenlaskijalle voi kertyä sellaista lisävelkaa, joka on Velkojen Välisen Sopimuksen ehtojen mukaisesti Velkakirjoja paremmalla etusijalla, ja kaikkiin täytäntöönpanosta saataviin varoihin sovelletaan Velkojen Välisen Sopimuksen maksunsaantijärjestystä koskevia ehtoja.
- Kolmansille osapuolille annetuilla vakuuksilla voi olla heikentävä vaikutus Velkakirjojen haltijoiden hyväksi myönnettyihin vakuuksiin.

#### **Keskeiset tiedot arvopapereiden tarjoamisesta ja listalleotosta**

##### ***Mitkä ovat arvopapereihin sijoittamisen edellytykset ja aikataulu?***

Velkakirjat tarjottiin merkittäväksi ns. book-building-menettelyssä 100.000 euron vähimmäismerkinnällä. Velkakirjat laskettiin liikkeeseen 22.7.2022.

Velkakirjat voidaan rekisteröidä velkakirjan haltijan nimiin arvo-osuustilille ja Velkakirjat ja niiden omistusoikeus ovat siirrettävissä ja omistusoikeus on merkittävässä vain arvo-osuustilin kautta.

Liikkeeseenlaskijalle aiheutui Velkakirjojen liikkeeseenlaskusta yhteensä noin 1,3 miljoonaa euroa kustannuksia. Lisäksi Liikkeeseenlaskijalle on Listauksesta aiheutunut yhteensä noin 0,8 miljoonaa euroa kustannuksia. Liikkeeseenlaskija ei veloita palkkioita tai muita maksuja sijoittajilta. Tilinhoitajayhteisöt voivat veloittaa oman hinnoittelunsa mukaisia palkkioita merkinnästä, tilien avaamisesta, tilien ylläpitämisestä tai muista Velkakirjojen hallintaan liittyvistä järjestelyistä.

##### ***Miksi tämä esite on laadittu?***

Liikkeeseenlaskija on laatinut ja julkaissut tämän Esitteen hakeakseen Velkakirjojen ottamista kaupankäynnin kohteeksi Nasdaq Helsingin ylläpitämällä joukkovelkakirjojen listalla.

Liikkeeseenlaskijalle liikkeeseenlaskusta kerättävien nettovarojen määrä oli liikkeeseenlaskusta aiheutuvien kustannusten vähennysten jälkeen noin 64 miljoonaa euroa (liikkeeseenlaskussa merkittyjen joukkovelkakirjojen nimellisarvon kokonaismäärä oli 75 miljoonaa, josta Liikkeeseenlaskija merkitsi joukkovelkakirjoja 6 miljoonalla eurolla).

Liikkeeseenlaskusta kerätyt varat on liikkeeseenlaskun ajankohtana käytetty Fortaco Group Oy:n koko osakekannan hankintaan sekä yleisiin liiketoiminnan tarpeisiin.

### ***Olennaiset intressit***

Järjestäjän (Pareto Securities AB) (**“Järjestäjä”**) intressit ovat tavanomaiset liiketaloudelliset intressit rahoitusmarkkinoilla.

Järjestäjä ja/tai sen edustajat voivat omistaa Konsernin yhtiöiden osakkeita, optioita tai muita liikkeeseen laskemia arvopapereita ja voivat, joko päämiehenä tai edustajana, ostaa tällaisia arvopapereita. Järjestäjällä voi olla muita taloudellisia intressejä tällaisia arvopapereita tai Konsernia koskevissa liiketoimissa.

Liikkeeseenlaskija sekä muut Konsernin yhtiöt voivat voimassa olevan lainsäädännön mukaisesti ostaa Velkakirjoja. Konsernilla voi olla muiden Velkakirjojen haltijoiden intresseistä poikkeavia intressejä, erityisesti mikäli Konserni kohtaa haasteita tai ei kykene maksamaan velkojaan näiden erääntyessä.

## **RISK FACTORS**

*Investors considering investment in the Bonds should carefully review the information contained in this Prospectus and, in particular, the risk factors described below. Factors possibly affecting an investment decision are also discussed elsewhere in this Prospectus. Each of the risk factors described herein are specific to the Group and/or the Issuer, as applicable, and should one or more of the risk factors materialize, it may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Bonds, the market price and value of the Bonds as well as, as applicable, the sufficiency of the security and the guarantees the Group has granted in accordance with the Terms and Conditions of the Bonds. As a result, investors may lose part or all of their investments despite the security and guarantees granted by Group. This description is based on information and values known and assessed at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Bonds are not limited to the factors identified below and in addition, the Group faces many of the risks inherent to the heavy off-highway equipment and marine industries and additional risks and uncertainty factors that are unknown or regarded as minor at the present time may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds. All investors should make their own evaluations of the risks associated with an investment in the Bonds and consult their own professional advisers if they consider it necessary.*

*The risk factors are presented below in the following six categories:*

- A. Risks relating to the Group's market, business activities and industry*
- B. Risks relating to legal, regulatory and insurance risks*
- C. Risks relating to the financial standing of the Group*
- D. Risks relating to the nature of the Bonds*
- E. Risks relating to transaction security and guarantees*
- F. Risks relating to the bondholders' rights and representation*

*While the categories are not presented in any order of materiality, within each risk category the most material risks, in the assessment of the Issuer, taking into account the negative impact on the Issuer and the probability of their occurrence, are presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization.*

*The Issuer has assessed the materiality of each risk factor by assessing the probability of the occurrence, and the expected magnitude, of each risk factor. The assessment, in each case, is disclosed using a qualitative ordinal scale of low, medium, or high.*

*The capitalized words and expressions in this section shall have the meanings defined in "Terms and Conditions of the Bonds".*

### **A. Risks relating to the Group's market, business activities and industry**

***The price and availability of raw materials, commodities and energy are subject to external factors and may lead to increased costs for the Group or decrease customer demand.***

According to the Group's management, the Group has good pricing power and has in recent years been able to transfer increasing costs into prices. However, there is a risk that costs relating to the Group's product manufacturing and/or projects increase due to, for instance, misjudgements in cost estimates and/or pricing, unexpected or unforeseen challenges such as political decisions, strikes or lock-downs, some of which are difficult to predict. Further, the price and availability of raw materials and commodities, such as *inter alia* steel, may be negatively affected by several factors outside the Group's control. Supply and demand control pricing on the global



market, and any price increases may be due to several factors, some of which are difficult to predict. As an example, the ongoing conflict in Ukraine following Russia's launch of a military assault in February 2022 has led to significant volatility in the global credit markets and the global economy and resulted in price increases on steel and may also cause limitations on availability of relevant raw materials. This has resulted in increased costs of the Group, and the lack of availability of steel may cause constraints in the Group's possibility to meet customer demand. Unforeseen increases in project and production costs and unavailability of necessary raw materials could not only result in increased expenses for the Group, but could also lead to delays and additional costs, and may as well hamper the Group's business continuation and harm the Group's business relationship with its customers, subcontractors, and suppliers. Further, any price volatility on raw materials and commodities which the Group purchases or the unavailability of such may have an adverse effect on the Group's operating expenses as well as customer demand, thus ultimately adversely affecting the Group's earnings and financial position.

In addition, price and availability of energy may also be negatively affected by external factors. The Group is exposed to rising energy costs as its operation sites utilise electricity, natural gas and petroleum-based fuels, and there is a risk that the Group will not be fully protected against substantial variations of the price or availability of energy sources, which may have a negative effect on the Group's operating expenses and ultimately affect the Group's earnings.

Should any of the above risks materialise, it could have an adverse effect on the Group's operations, earnings caused by declined revenues and/or increased costs, and, thus, its financial position. The Issuer considers that the probability of the above risks occurring is medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

***The Group is largely dependent on its key customers and the loss of any such clients could lead to substantial decrease in the Group's revenues.***

The customer concentration is high with ten customers corresponding to approximately 82 per. cent. of Fortaco Group's revenues during 2022, with steel fabrication being Fortaco Group's largest business segment with net sales amounting to approximately 68 per. cent. of Fortaco Group's revenues during 2022 (excluding the impact of the minority stake in Buisard S.A.S ("**Buisard**") owned by Fortaco Group)<sup>7</sup>. As the Group is largely dependent on its key customers, the Group relies on a strong relationship with its key customers in order to continue its business and obtain new contracts or renew any existing contract upon expiry. For instance, three separate business divisions (which can be further split into several different reasonably independent business units) of one key customer together accounted for approximately 36 per cent.<sup>8</sup> of Fortaco Group's revenues during 2022 (excluding Buisard), and hence the Group is highly dependent on maintaining a good relationship with its key customers. In addition, due to the importance of the Group's material customers in terms of revenues, any delays or payment defaults in relation to such customers as well as a general deterioration in such customers' financial position or business would have a negative effect on the Group's financial position and earnings. A loss of a substantial portion of revenues from the Group's material customers, regardless of cause, would have an adverse effect on the Group's business, future prospects and financial position.

The Group's customer relationships are long and have lasted over 20 years with the largest customers. The Issuer considers that the probability of the above risks occurring is low. If the risks would materialize, the Issuer considers the potential negative impact to be medium.

***Disruptions or delays in the Group's production could lead to increased operation costs or reduced production capacity as well as liability risks and reputational damage for the Group.***

The Group has eleven production sites in seven countries and the results of the Group's business depend on the continued operation of the Group's production. The continued operation of the Group's production is, for instance, dependent on certain production facilities, tools, machinery and equipment and disruptions or delays in the Group's production could lead to increased operation costs or reduced production capacity for the Group. Disruption and delays in the Group's operation can occur for several reasons, including accidents, fires, explosions, human failures and other incidents at the production facilities, which may result in physical property damage, requiring comprehensive cleaning and repair measures, as well as in temporary production interruption or shutdowns in the Group's operations, temporary operation at a reduced capacity or, in severe cases, in injuries. Interruptions in the Group's operations could also lead to liability risks and reputational damage, in particular by

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<sup>7</sup> Figures are unaudited.

<sup>8</sup> Figure is unaudited.

preventing the Group from providing the requisite quantities of products to customers on time, especially in cases where the Group cannot compensate lost production capacity through surplus capacity at other production sites.

Should any of the above risks materialize, it could have an adverse effect on the Group's costs and/or revenues, causing decreased profits and a negative impact on the Group's financial position as well as the Group's business.

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

***The Group is dependent on services provided by third-party suppliers, partners, or sub-contractors and changes relating to the availability, quality and/or price of such services could lead to increased costs for the Group.***

The Group's ability to provide its services depends on the availability and timely supply of equipment, components, raw materials such as steel, and other material and services from external suppliers, partners, and sub-contractors. If any of the main suppliers, partners or sub-contractors of the Group would terminate their contract with the Group or other changes in the availability, quality and/or price of such material or services occur, there is a risk that such supplier, sub-contractor, or partner cannot be replaced by an equivalent counterpart on a short time basis. Further, various issues with suppliers, partners, or sub-contractors, such as delays, financial difficulties, risky operations, deficit quality of materials supplied, erroneous construction work or inadequate workforce skills could affect the Group's ability to operate and deliver under its customer agreements in a non-faulty and/or timely manner or at all, which could lead to the Group breaching its contractual obligations towards its customers. In addition, the Group's customer agreements usually include undertakings to pay damages if the products are, for instance, delayed. There is a risk that equivalent undertakings are not contained in agreements with sub-contractors in order to ensure that the Group's costs for delays and faults relating to a sub-contractor will be reimbursed. Should sufficient and full back-to-back protection not be included in the relevant agreements or, for instance, a sub-contractor will not be able to reimburse the Group due to insolvency or bankruptcy, it could have an adverse effect on the Group's costs and, in turn, the Group's results and financial position.

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

***There may be unforeseen liabilities relating to the Acquisition (as defined in the Terms and Conditions of the Bonds) and the Acquisition may have triggered change of control clauses the Issuer is not aware of, in each case, resulting in increased costs for the Group.***

In connection with the Acquisition, the seller of the shares in the Target has given customary representations, warranties and indemnities, which are covered by a W&I insurance. Nonetheless, there is a risk that third parties seek to hold the Group responsible for any of the liabilities the seller has agreed to retain, and there is a risk that the Group will not be able to enforce any claims against the seller or the relevant insurance company relating to breaches of such representations and warranties, or that the seller or the insurance company becomes insolvent or files of bankruptcy limiting the Group's ability to recover losses suffered as a result of the seller's breaches. There is also a risk that the indemnifications in the acquisition agreement will not be sufficient to protect the Group against the full amount of such liabilities. In addition, even if the Group ultimately succeeds in recovering from the indemnifying party any amounts for which the Group is held liable, the Group may be temporarily required to bear such losses themselves, which could have an adverse effect on the Group's business, earnings and financial position.

Moreover, there is a risk that the Group incurs or assumes unknown or unanticipated liabilities or contingencies, not detected in the course of the due diligence in respect of the Acquisition and the Target, pertaining to customers, suppliers, employees, governmental authorities, environmental damage or other parties or other unidentified legal risks, which are not catered for by indemnities or warranties in the share purchase agreement.

Further, in accordance with the terms of the Acquisition, the Issuer is, under certain circumstances, obliged to make an earn-out payment linked to the performance of the Target Group during 2022. The earn-out payment will be covered by One Equity Partners VIII, L.P., One Equity Partners VIII A, L.P., One Equity Partners VIII B, SCSp and/or OEP Capital Advisors, L.P., or funds managed by any of them, or any of their Affiliates (the "Sponsor"), and the Sponsor has issued an equity commitment letter to the benefit of the seller. If the Sponsor cannot fulfil its payment obligations in respect of the earn-out payment pursuant to the equity commitment letter, either in part or in full, this would result in additional costs for the Group which the Issuer has not projected or budgeted for, which

will result in increased costs for the Issuer, which in turn would have a negative effect on the Group's financial position.

In addition, there is a risk that there are change of control provisions included in certain material agreements that entities in the Target Group have entered into that the Issuer might not be aware of. Should the Group had not been able to receive waivers from all of the relevant counterparties, there is a risk that material agreements may be terminated which could have an adverse effect on the Group's business, causing both increased costs and/or decreased revenues, thus negatively affecting the Group's financial position.

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

***Failure in implementing the Group's acquisition driven strategy may result in increased costs for the Group.***

The strategy of the Group entails expansion of its business driven by *inter alia* acquisitions. For instance, in January 2022 Fortaco Group acquired a minority stake in Buisard S.A.S, and the Group is continuously monitoring suitable and attractive target companies to acquire in order to expand its business. There is a risk that investment targets meeting such criteria cannot be identified, or that the Group is unable to make the required investment on acceptable terms or at all. Furthermore, there is a risk that the number of available attractive and relevant investment targets will not remain stable or decline in the future. There is always a risk that acquisitions do not generate expected margins, cash flows, or realise other anticipated benefits, such as growth or expected synergies or that the Group fails to successfully integrate any acquired assets, all of which, in turn, would negatively affect the Group's results of operations and financial position.

Moreover, there is a risk that the Group incurs or assumes unknown or unanticipated liabilities or contingencies, not detected during the due diligence of an acquired company, pertaining to customers, suppliers, employees, governmental authorities, environmental damage or other parties or other unidentified legal risks, which are not catered for by indemnities or warranties in the relevant share purchase agreement.

In addition, there is a risk that purchase agreement indemnities are not enforceable, limited or expired and risk of disagreements in relation to sellers regarding enforceability or scope of contractual rights or liabilities. Unforeseen or misjudged acquisition-related risks may require the Group to make further capital contributions in relation to acquired entities and could result in the profitability or cash flow from an acquired entity decreases and can therefore have a negative impact on the Group's future prospects, earnings and financial position.

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

***Economic downturn and uncertainty on the international financial markets may cause a decreased demand for the Group's products and services.***

The Group operates in a sector which to a large extent is affected by macroeconomic factors. Economic downturn and uncertainty on the international financial markets have adverse impacts on the global economy and may cause a decreased demand for the Group's products and services, which, in turn, negatively impacts the Group's sales and business, either temporarily or long-term. Recent events such as the Covid-19 pandemic and the Russian invasion of Ukraine have had adverse effects on the global markets and, in turn, on the Group's business. Global supply-chains have been and may in the future be disrupted following e.g. lockdowns in key supply markets and insufficient shipping and factors such as trade restrictions, political instability and inflation may adversely impact the cost of production materials or cause an increase in interest rates, which would adversely affect the Group's costs of goods sold and cost for financing.

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

***Any failure of a proposed expansion into new markets may result in the Group not achieving the expected return on investments which may have a negative impact on the Group's profitability.***

The Group is currently operating in several European countries, with Finland constituting the largest share of revenues accounting for approximately 35 per cent<sup>9</sup> of the revenues of the Group for 2022 (based upon countries to where the Company is delivering its goods, excluding Buisard). As part of the Group's current business strategy, the Group may expand into new geographic markets and business segments in the future. Geographical expansion includes risks relating to lack of knowledge of market conditions, legal and regulatory requirements as well as higher financial, legal and/or tax advisor costs. There can also be cultural differences when conducting business in other geographies compared to northern Europe, which can have a negative effect on the Issuer's ability to implement its business and growth strategy as expected. The Issuer may also be further exposed to currency fluctuations when operating in other jurisdictions. Any failure of a proposed expansion into new markets may result in the Group not achieving the expected return on investments which may have a negative impact on the Group's profitability.

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

***Any disruptions or failure of information technology systems could result in increased costs and/or business interruptions in the Group's business operations.***

The Group depends on information technology to manage critical business processes, including administrative and financial functions. Any downtime of network servers, attacks by IT-viruses or other forms of cyber attacks, other disruptions or failure of information technology systems are possible and could have an adverse effect on the Group's business as well as financial position through increased costs and/or business interruptions. Further, insufficient IT strategies, future ERP investment programmes and documentation of IT systems and strategies may result in failure of the Group's information technology systems which could cause errors and disruption to the Group's business. Each such risk could have an adverse impact on the Group's future prospects, earnings and financial position.

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

***Failure in recruitment or being unable to retain key personnel could result in the Group being unable to pursue its business operations as planned.***

The Group is dependent on an engaged, skilled and motivated workforce. As of 31 December 2022, the number of personnel of the Group was 2,124. Work within the Group's different business segments, such as vehicle cabin production and steel fabrications, involves handling of heavy machines and other advanced construction equipment, e.g. welding, CNC machining and related tasks, which requires a high degree of experience and expertise, why the Group is dependent on its ability to attract, employ, train and retain qualified personnel with particular technical skills. Consequently, the Group's development and financial prospects are dependent on the ability to attract and develop the right personnel and to retain the workforce. There is a risk that the Group fails in its recruitment of skilled personnel, both in relation to the numbers and the qualifications needed. Such failure could adversely affect the Group's ability to maintain its production and supply efficiency as well as to provide its services, which in turn could result in business interruption, impaired brand recognition and failure to implement growth strategies.

Furthermore, the Group also depends on the ability to recruit, retain and develop other qualified senior executives and key employees with the necessary skills and extensive industry experience to the Group, as the Group's business is structured so that leading senior executives have wide areas of responsibility. If any of the key managers or other critical senior employees were to leave the Group or join a competitor, the Group may be unable to attract and retain suitable replacements. As a result, the Group may be unable to pursue its business operations as planned which could have an adverse effect on the Group's business and future prospects which, in turn, could further have a negative effect on the financial condition and result of operations of the Group.

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

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<sup>9</sup> Figure is unaudited.

***The Group is dependant on continuous research and development and failure in the same could result in the Group not being competitive.***

In order for the Group to be successful and in order to execute on its strategy to grow organically, the Group is dependent on research and development, especially with regards to its technology business segment which focuses on the Group's capabilities to design operator cabins and modern lightweight steel structures. There is a risk that the Group is not able to stay competitive due to not being able to keep up with technological development and digital solutions and to develop innovative and pioneering solutions, which could have a negative effect on the on the Group's business, future prospects and financial position as a consequence of a decreased demand for the Group's products and services and, thus, a decrease in revenues.

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

## **B. Risks relating to legal, regulatory and insurance risks**

***Any deficiencies in the products offered by the Group may lead to product liability claims, claims under guarantees or recalls as well as reputational damage.***

Product safety or quality issues, actual or perceived, may require the Group and/or its customers from time to time to recall a particular product from all of the markets in which the affected product was distributed. There is also a risk that any deficiencies in the products offered in the Group's product portfolio or the inappropriate use thereof may lead to, *inter alia*, product liability claims and claims under guarantees. In such cases, the Group is normally obliged to correct or replace the defective products. There is a risk that customers demand that the Group cover costs in addition to replacing the product, such as the cost of dismounting, assembly, and other ancillary costs. Furthermore, if a product causes damage to a person or property, the Group could also be liable to pay damages. Should any of these risks materialise it would lead to increased costs for the Group and thus, have an adverse effect on the Group's business, results, and financial position.

Furthermore, product deficiencies and recalls could result in reputational damage of the marketed brands and the Group. Damage to the Group's reputation or loss of customer confidence in its products could result in decreased demand for the Group's products and could have an adverse effect on the Group's business, financial condition, and results of operations, as well as require additional resources to rebuild the Group's reputation.

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

***The Group's operations are exposed to a considerable risk level of workplace accidents and a failure to create and maintain safe workplaces may result in reputational damage, impaired competitiveness and/or increased costs.***

The Group's operations involve work on large machinery, vehicles, and advanced equipment, hence there is an increased risk of work accidents. Acting in accordance with applicable safety instructions is critical for avoiding personal injury. Consequently, the Group is dependent on internal and external investigation and reporting of risks, incidents and accidents in order to be able to take action in a timely and cost-efficient manner. The Group is also dependent on its ability to create and maintain safe workplaces, train staff on safety and change attitudes to counter risky behaviour.

If work related accidents occur, the Group may face claims from employees, labour, or trade unions as well as governmental agencies. Such incidents may also lead to a need for initiating remedial measures, suspension or the shutting down of operations. Personal injuries and accidents may also cause employee dissatisfaction and distrust and would have a negative effect on the Group's reputation. Furthermore, there is a risk that any insurance coverage of the Group to cover the costs and losses incurred and claims for coverage under the Group's insurances for such matters, may lead to increased insurance premiums.

Should any of the above materialise in relation to the Group's employees it would expose the Group to risks for reputational damage, impaired competitiveness and/or increased costs and could in turn have an adverse effect on the Group's business and financial position.

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

***The Group's insurance coverage may be inadequate resulting in extraordinary costs.***

The Group's business is exposed to various types of risks, such as product liability, property damage, third party liability and business interruption, including events caused by natural disasters and other events outside the Group's control, and the Group is thus dependent on maintaining an insurance coverage tailored to its business activities. Furthermore, the operations conducted by the Group also entails risks for personal injuries and other occupational accidents, which risks may be uninsurable, please see above "*The Group's operations are exposed to a considerable risk level of workplace accidents and a failure to create and maintain safe workplaces may result in reputational damage, impaired competitiveness and/or increased costs*" regarding risks related to personal injuries and other occupational accidents.

There is a risk that the Group is unable to maintain or procure adequate insurance coverage in relation to its current or future business on favourable terms or at all, that the insurance premiums increase significantly due to any insurance claims made, and that the Group's provisions for uninsured costs are insufficient to cover the final costs. Should any such risks materialise, it would result in increased costs for insurance and/or extraordinary costs for reimbursement, which, in turn would have a negative impact on the Group's earnings and financial position.

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

***The Group's operations have an impact on the environment and there is a risk that the Group will incur additional environmental costs and liabilities with or without a negligence or fault from the Group.***

The Group's operations have an impact on air, water and land, and the Group is subject to a wide variety of environmental regulations. Compliance with these rules and regulations is an important aspect of the Group's ability to continue its operations. There is a risk that the Group will incur additional environmental costs and liabilities in the future as a result of e.g. the Group's use and/or choice of materials, emissions and waste management (which also may include paying for environmental restoration). Furthermore, some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous waste, which could result in liability for environmental damage without regard to the Group's negligence or fault. There is a risk that such laws and regulations also retroactively expose the Group to liability arising out of the Group's acts which were in compliance with all applicable laws at the time the acts were performed. If the environmental risk materialises, it could have an adverse impact on the Group's costs and, consequently, results of operations.

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

***The Group's processes relating to personal data may not be in compliance with the relevant regulation resulting in increased costs.***

The Group registers, processes, stores and uses personal data in the course of its business operations, specifically with regards to personal data relating to its employees and the consultants contracted from time to time, all of which constitutes personal data under the General Data Protection Regulation 2016/679 ("**GDPR**"). There is a risk that the procedures and systems for protecting personal data that the Group has implemented are insufficient and that there are deficiencies in the Group's compliance with the GDPR. A breach of the GDPR may result in administrative sanctions amounting to the higher of EUR 20,000,000 and 4 per cent. of the previous year's combined annual turnover of the ultimate parent company that controls the business and all other companies such ultimate parent company controls. Should the abovementioned risks materialise, this could result in adverse effects on the Group's operations, results and financial position.

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

**C. Risks relating to the financial standing of the Group**

***The Issuer may not be able to refinance its debt obligations or generate sufficient cash-flow, which could, in each case, result in the Issuer not being able to continue operations.***

There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. The Issuer's ability to successfully refinance the Bonds, any other existing external financing and/or any external financing arrangement that the Issuer may enter into in the future depends on, among other things, the conditions of debt capital markets and its financial condition at such time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a negative effect on the Group's business, financial position and result of operation and on the bondholders' recovery under the Bonds.

There is a risk that the Group may not generate sufficient positive cash-flow from time to time including potential lack of net working capital and thus have a lack of liquidity which could affect the Group's possibility to meet its payment obligations as they fall due, such as payments to suppliers, which could in turn have a negative effect on the Group's relationship with such parties. If the Group does not have sufficient liquidity to fulfil its obligations, it could have an adverse effect on the Group's business and financial position.

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

***The Group may not have sufficient hedging arrangements relating to interest rates and is thus exposed to interest rate risk.***

The Group will upon the issuance of the Bonds incur and may in compliance with the limits set out in the Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The amount of loans that bear floating interest rate is EUR 81 million. The level of market interest also affects the value of the Bonds, as they will bear interest at a floating rate of 3-month EURIBOR (with a floor) plus a margin. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Group's operations and results. To manage its interest rate exposure, the Group might, in the future, enter into interest derivative contracts. It is possible that (if used) any such future hedging arrangement will not afford the Group sufficient protection against adverse effects of interest rate movements. Moreover, the success of any hedging activities is highly dependent on the accuracy of the Group's assumptions and forecasts. Any erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Group's operations, costs and, thus, its financial position.

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

***The Group does not currently hedge against currency fluctuation and is thus exposed to exchange-rate risk.***

The Group's revenues are denominated mainly in EUR, and its reporting currency and the main part of its costs are denominated in EUR. However, the Group has also operations and costs that are not denominated in EUR, including inter alia Polish Zloty (PLN), Hungarian Forint (HUF) and Serbian Dinar (RSD) (following inter alia local salaries and other costs). The Group does not currently conduct any hedging and is consequently exposed to unfavorable fluctuations in currency exchange rates, which could have adverse effects on the Group's operations, results and financial position.

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

***The Issuer may not be able to secure sufficient working capital to meet its capital expenditure requirements.***

The Group is dependent on investments in inter alia tools, machinery, and other equipment necessary for the Group's manufacturing operations, as such needs to be upgraded, replaced and/or repaired from time to time. There is a risk that unavailability of a working capital facility required to conduct the Group's business, a decline in the capital markets or insufficient cash flow from the Group's operations could force the Group to postpone such necessary investments and capital expenditures which may hamper the Group's current operations as well as

adversely affect its growth opportunities. Furthermore, any unexpected malfunction in tools, machinery and equipment may lead to higher costs and capital expenditures than anticipated and budgeted for.

Should any of the aforementioned risks realise it could have an adverse effect on the Group's operations, results and financial position. The Issuer considers that the probability of the above risk occurring is medium. If the risks would materialize, the Issuer considers the potential negative impact to be medium.

#### **D. Risks relating to the nature of the Bonds**

##### ***The Issuer is dependent on its subsidiaries to make payments under the Bonds.***

Following the Acquisition, a significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is dependent upon its subsidiaries in order for its business operations to function. As the Issuer's operations are focused on managing its subsidiaries, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation and ownership of the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent upon the subsidiaries' availability of cash and their legal ability to make dividends or other cash distributions, which may from time to time be limited by corporate restrictions and law. The subsidiaries are further legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. Should the Issuer not receive sufficient income from its subsidiaries, by way of dividends or value transfer from one or more subsidiary, it would have an adverse effect on the Issuer's financial position and, thus, there is a risk that the Issuer will be unable to service its payment obligations under the Bonds and subsequently adversely affect bondholders' ability to receive payment under the Bonds.

Furthermore, the Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

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

##### ***The Bonds are structurally subordinated to the liabilities of the Issuer's subsidiaries.***

The Bonds are structurally subordinated to the liabilities of the Issuer's subsidiaries which have not granted guarantees or security in respect of the Notes, meaning that any claims by such subsidiaries' creditors would be entitled to payment deriving from the assets of such subsidiary before the Issuer (and thus the Bondholders). Unless a subsidiary of the Issuer has granted a guarantee or security for the Issuer's obligations under the Bonds, such subsidiary would have no obligation (nor interest) to settle or fulfill the Issuer's obligations. In case of a bankruptcy or other insolvency proceeding relating to such subsidiary of the Issuer, the creditors of that subsidiary would be entitled to payment deriving from the assets of such subsidiary.

##### ***The interest of the majority owner of the Issuer may not align with the interest of the bondholders.***

Following the Acquisition, OEP 81 B.V. controls 100 per cent. of the shares and votes of the Issuer. According to the Terms and Conditions, if a change of control event occurs in the Issuer, the bondholders will have a right of prepayment of the Bonds (put option), please see below section "*The Issuer is entitled to redeem the Bonds before their final redemption date on a pre-agreed redemption price which may at that time be lower than the market value of the Bonds*" regarding potential consequences of a change of control event occurring and the risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment. The interests of the majority shareholder or, following any potential change of control in the Issuer, of any new majority shareholder in the Group may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings, or other transactions that, in their judgment, could enhance the value of their equity investments although such transactions might involve risks to the bondholders. Should any of the above risks occur, it could have a negative effect on the Group's operations, earnings, and financial position.



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

***The bondholders carry a credit risk relating to the Issuer which may not be able to make payments under the Bonds, including repurchase made pursuant to the put option.***

Bondholders will carry a credit risk towards the Issuer. Bondholders' likelihood of receiving payment under the Bonds is therefore dependent upon the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The credit risk and the Group's financial position is affected by several factors of which some have been mentioned above in the above category "*Risks relating to the Group's market, business activities and industry*". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Group to refinance the Bonds instead of redeeming the Bonds with cash generated by the Group's operations, as described under "*The Issuer may not be able to refinance its debt obligations or generate sufficient cash-flow, which could, in each case, result in the Issuer not being able to continue operations*" above. The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. In case of a deteriorating financial position of the Group, this will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds. Should any of the above risks materialise, it could have a negative effect on the Group's operations and causing increased costs resulting in an adverse effect on its financial position.

If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds. Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher premium, which will affect the value of the Bonds negatively. Additionally, the Bonds are subject to repurchase at the option of each bondholder (put options) upon a Change of Control Event. There is a risk that the Issuer will not have sufficient funds at the time of such repurchase to make the required repurchase of the Bonds, which could adversely affect the Issuer and thus all bondholders and not only those that choose to exercise the option.

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

***The Issuer is entitled to redeem the Bonds before their final redemption date on a pre-agreed redemption price which may at that time be lower than the market value of the Bonds.***

Under the Terms and Conditions for the Bonds, the Issuer has the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds will have the right to receive an early redemption amount which exceeds the nominal amount. However, there is a risk that the market value of the Bonds will be higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

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

***Active trading in the Bonds in the secondary market does not always occur which may have a negative impact on the market value of the Bonds.***

The Bonds are admitted to trading on the Open Market of the Frankfurt Stock Exchange and the Issuer applies to list the Bonds on the corporate bond list of Nasdaq Helsinki. However, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed on both exchanges. This may result in the bondholders not being able to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market will 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 the Bonds are admitted to 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 Issuer considers that the probability of the above risks occurring is medium. If the risks would materialize, the Issuer considers the potential negative impact to be low.

***The value of the Bonds is dependent on the level of market interest rate and changes in Benchmark Regulation may adversely affect the relevant benchmark of the Bonds.***

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The market interest may be subject to significant fluctuations and the degree to which such interest rates may vary is uncertain. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds bear a floating rate interest of 3-month EURIBOR (with a floor) plus a margin. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by international financial development and is outside the Group's control.

The process for determining EURIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations, most notably the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). There is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future and this could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

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

#### **E. Risks relating to transaction security and guarantees**

***The transaction security and guarantees may be insufficient to cover all the obligations secured thereby and the enforcement of the transaction security and guarantees may be subject to mandatory law.***

Although the Issuer's obligations towards the investors under the Bonds will be secured by guarantees and first priority pledges over (i) the shares in certain Group companies, (ii) certain material intragroup loans, (iii) the Acquisition Account, (iv) any existing mortgages issued in real properties owned by the Issuer or a Material Group Company, and (v) any existing business mortgages or floating charges in the Issuer or a Material Group Company, it is not certain that the proceeds of any enforcement sale of the security assets or any enforcement of claims under guarantees would be sufficient to satisfy all amounts then owed to the bondholders. If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Furthermore, any security and/or guarantees in respect of the Issuer's obligations under the Bonds from the Issuer's subsidiaries are limited by financial assistance rules and corporate benefit principles of the laws of the relevant jurisdiction, entailing a risk that the amounts to be recovered from an enforcement may be limited and not sufficient in order to satisfy all obligations of the Issuer under the Bonds. Also, there is a risk that guarantees or security granted under the Bonds could be unenforceable or that any enforcement could be delayed according to applicable laws in the relevant jurisdictions. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the bondholders receiving the amounts owed to them under the Bonds.

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

dependent on such debtor's ability to repay its loan. Should such debtor be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan.

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

***Certain Material Group Companies are not wholly owned and such companies have not granted guarantees or security in favor of the bondholders.***

The Group owns, and may in the future own, companies that qualify as a Material Group Company but which are not wholly owned by the Group. The security to be granted over such shares will only comprise the shares held by the Group. The value of security granted over shares not covering 100 per cent. of the shares issued in a company is limited since a potential buyer in connection with an enforcement of the security will not acquire all shares issued in such company. Furthermore, any such shares may be subject to post-sale purchase right and right of first refusal clauses, which will make an enforcement procedure prolonged and involves a risk that a potential buyer may not have the right to complete the purchase of the pledged shares. There is thus a risk that an enforcement in respect of the security granted over such shares cannot be made on favourable terms or at all, which will diminish the value of the security granted. Furthermore, any such entity will not grant any guarantees or grant any security over real property mortgages and/or business mortgages/floating charges, thus diminishing the coverage ratio pursuant to which guarantees as well as security over real property mortgages and business mortgages are granted.

In addition, existing security over certain assets of the Group Companies Linda Properties OÜ and, should the Buisard Acquisition be made, Buisard S.A.S granted to other third-party debt providers will, according to the Terms and Conditions, be permitted to subsist, why such security cannot be provided in favour of the bondholders. This will reduce the value of the security package under the Terms and Conditions, which will affect the bondholders negatively in connection with an enforcement scenario.

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

***The Issuer may incur additional debt which will, in accordance with the terms of an Intercreditor Agreement, rank senior to the Bonds, and any enforcement proceeds are subject to certain waterfall provisions set out in the Intercreditor Agreement.***

The Issuer has the possibility to incur additional debt under a Super Senior Revolving Credit Facility and certain hedging arrangements which will, in accordance with the terms of an Intercreditor Agreement, rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which also will rank pari passu with the Bonds. The relation between certain of the Issuer's creditors and a security agent will be governed by an Intercreditor Agreement. Any Intercreditor Agreement shall be entered into pursuant to the Intercreditor Principles, but the final terms of the Intercreditor Agreement remain subject to negotiations, and the uncertainty of such implies a risk for the bondholders. Furthermore, if the Issuer issues additional Bonds, the security position of the current bondholders may be impaired.

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

If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired and that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security, payments under any guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings, pursuant to which any agent will receive payments first, secondly any creditor under

any super senior debt, thirdly any creditor *pro rata* under any senior debt (including the bondholders) and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above. The Intercreditor Agreement will further contain provisions regarding restrictions on payment of principal and interest under the Bonds upon the occurrence of an event of default and for as long as it is continuing, subsequently affecting a bondholders' ability to received payments under the Bonds.

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

***Security granted to third parties may have an adverse effect on the security granted for the benefit of the bondholders.***

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third-party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third-party debt provider. In addition, if any such third-party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have an adverse effect on the Group's assets, operations and, ultimately, the financial position of the bondholders.

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

***Risks relating to the Security Agent holding transaction security and guarantees***

The bondholders will be represented by Nordic Trustee & Agency AB (publ) as agent and security agent in all matters relating to the guarantees and transaction security. The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing, or enforcing the guarantees and the transaction security or for the purpose of settling, among other things, the bondholders' rights to the guarantees and transaction security. Therefore, bondholders will not have direct claims under the guarantees and security interests and will not be entitled to take enforcement action in respect of the guarantees and transaction security, except through the Security Agent, as only the Security Agent has the right to enforce the guarantees and transaction security provided in favor of the Security Agent for the benefit of the bondholders. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing, or taking other necessary actions in relation to the guarantees and transaction security. In addition, the bondholders bear some risk associated with a possible insolvency or bankruptcy of the Security Agent.

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

***Insolvency administrator may not respect the Intercreditor Agreement.***

The potential Intercreditor Agreement is expected to contain provisions for the sharing between the secured parties of the proceeds received from the enforcement of the transaction security. If a secured party receives enforcement proceeds or other payments in excess of what is stipulated by the Intercreditor Agreement, such secured party is obligated to share such proceeds or payments with the other secured parties. However, it is not certain that a secured party or a bankruptcy administrator of such secured party would respect the Intercreditor Agreement which potentially could adversely affect the other secured parties.

**F. Risks relating to the bondholders' rights and representation**

***The Terms and Conditions and the Intercreditor Agreement (if any) may be subject to amendments and decisions by the Bondholders may be made with requisite majority.***

The Terms and Conditions include certain provisions regarding bondholders' meetings and written procedures. Such meetings and procedures may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting or procedure and those who have voted differently from the required majority in a

written procedure or at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate, decision to accept a change of the final maturity date, decision to accept a change of the transaction security, or amend the terms of the Intercreditor Agreement (if any). Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

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

***Risks relating to actions against the Issuer and bondholders' representation***

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that is undesirable for some of the bondholders.

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

***Risks relating to the Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions for the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have an adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds. The Issuer considers that the probability of the above risks occurring is low. If the risks would materialize, the Issuer considers the potential negative impact to be low.

## **RESPONSIBILITY REGARDING THE PROSPECTUS**

This Prospectus has been prepared by Fortaco Group Holdco Oyj and Fortaco Group Holdco Oyj accepts responsibility regarding the information contained in this Prospectus. Fortaco Group Holdco Oyj declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

## **INFORMATION ABOUT THE ISSUER**

The business name of the Issuer is Fortaco Group Holdco Oyj. The Issuer is a public limited liability company incorporated in Finland, established on 12 April 2022, and it is organized under the laws of Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 3281147-3. The Issuer's legal entity identifier code ("LEI") is 743700AX3TIWVL1LC349. The registered address of the Issuer is Äyritie 24, FI-01510 Vantaa and its telephone number is +358 10 7576000. According to clause 2 of the Issuer's articles of association, the Issuer's field of activity is owning and managing shares and other assets. The Issuer is the parent company of the Group.

## **INFORMATION DERIVED FROM THIRD PARTY SOURCES**

This Prospectus contains information about Fortaco's markets and estimates regarding Fortaco's competitive position therein. Such information is prepared by Fortaco based on third-party sources, including a research conducted by Oliver Wyman for Fortaco in September 2018 ("**Oliver Wyman**"), and Fortaco's own internal estimates. In many cases, there is no publicly available information on such market data. Fortaco believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which it operates as well as its position within this industry. Although Fortaco believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Fortaco cannot guarantee that a third-party expert using different methods would obtain or generate the same results. Further, Fortaco has not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on Fortaco's management's estimates.

Certain market data and market estimates contained in this Prospectus have been derived from third party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that any information derived from third-party sources has been accurately reproduced herein and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **AVAILABILITY OF THE PROSPECTUS**

This Prospectus will be available on or about the date of the Listing on the website of the Issuer at [investors.fortacogroup.com](http://investors.fortacogroup.com).

## **NO CREDIT RATING**

The Issuer or the Bonds have not been assigned any credit ratings at the request or with the co-operation of the Issuer in any rating process. The Company does not intend to seek rating for the Bonds in the future.

## **NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements about Fortaco's business that are not historical facts, but statements about future expectations. Such forward-looking statements are based on Fortaco's present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. The words such as "aims", "assumes", "believes", "estimates", "expects", "will", "intends", "may", "plans", "should" and similar expressions or negative of such terms identify certain of such forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Prospectus

regarding the future results, plans and expectations with regard to Fortaco's business, and on growth, profitability and the general economic conditions to which Fortaco is exposed.

The forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Fortaco, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, risks described in section "Risk Factors", but are not limited to those discussed therein. Should one or more of these or other risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer or its ability to fulfil its obligations under the Bonds could differ materially from those described herein as anticipated, believed, estimated or expected. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realized revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of Fortaco. Fortaco does not intend and does not assume any obligation to update any forward-looking statements contained herein or to adjust them in the light of future events or developments unless required by applicable legislation. For additional information on factors that could cause Fortaco's actual results of operations, performance or achievements of Fortaco to differ materially, see "Risk Factors".

### **NO INCORPORATION OF WEBSITE INFORMATION**

This Prospectus together with the documents incorporated by reference herein are available on Fortaco's website at [investors.fortacogroup.com](http://investors.fortacogroup.com). However, any other information presented on Fortaco's website or any other website does not form a part of this Prospectus (except for any supplement to the Prospectus and information which has been incorporated by reference into the Prospectus or any supplement thereto, see section "Information Incorporated by Reference"), and the information on such websites has not been scrutinized or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in Fortaco's securities.

### **CONTROLLING SHAREHOLDER**

As at the date of this Prospectus, OEP 81 B.V. controls 100 per cent. of the shares in the Issuer. Accordingly, OEP 81 B.V. has control over the Issuer as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act (*Fi: arvopaperimarkkinalaki*, 746/2012). OEP 81 B.V. (established 8 April 2022, registered with the trade register of the Dutch Chamber of Commerce under number 86072269) is a limited liability company established under the laws of the Netherlands with its domicile in Amsterdam. According to its articles of association, OEP 81 B.V.'s field of activity is Holding & Financing.

OEP 81 B.V. is wholly owned by funds advised and controlled by OEP Capital Partners, L.P. ("OEP"). OEP is a middle-market private equity company, originally founded in 2001 and since spun off from JPMorgan in 2015, currently with over USD 8 billion in assets under management and consisting of over 50 investment professionals. OEP's investments are focused to industrials, technology, and healthcare industries. Geographic focus of OEP's investments is in North America and Europe, including previous experience in Finland as well.

The Issuer is not aware of any arrangements which may result in a change of control in the Issuer.

### **TAXATION**

Potential investors should be aware that the tax legislation of a potential investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds.

*The following is only a general description addressing the Finnish withholding and income tax treatment of income arising from the Bonds. This summary is based on the laws and regulations in full force and effect in Finland as at the date of this Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Bonds. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Bonds.*

### **Non-resident Holders of Bonds**

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland should be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein. The Holder should provide sufficient evidence on its non-resident investor status to the payer.

Non-resident Holders and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland for income tax purposes should not be subject to Finnish taxation on interest or gains realized on the disposal or redemption of the Bonds.

## **Resident Holders of the Bonds**

### ***Corporates***

Payments made by or on behalf of the Issuer to corporates resident in Finland for tax purposes should be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Interest paid on the Bonds and any gain arising from the disposal, repayment or redemption of the Bonds should be subject to taxation in accordance with the Finnish Business Income Tax Act (*Laki elinkeinotulon verottamisesta* 360/1968, as amended) or, alternatively, the Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended) depending on the legal form of the Holder and the source of income, even though most of the Finnish corporate entities are only taxed based on the Business Income Tax Act. The corporate income tax rate is currently 20 per cent in Finland.

### ***Individuals and Estates***

Payments made under the Bonds should not be subject to withholding according to the Act on Withholding on Interest Income (*Laki korkotulon lähdeverosta* 1341/1990, as amended). Payments of interest or interest compensation (secondary market compensation, in Finnish "*jälkimarkkinahyvitys*") made to individuals or estates are generally subject to advance withholding of income tax according to the Prepayment Act (*Ennakkoperintälaki* 1118/1996, as amended). The applicable withholding tax rate is currently 30 per cent. The withholding liability should primarily lie with a possible paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of the Bonds, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

Payments of interest or interest compensation should be subject to taxation as capital income. Also, upon disposal, repayment or redemption of the Bonds, any capital gain received should be taxed as capital income. The capital income tax rate is 30 per cent, however if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent.

## **Transfer Taxation**

A transfer of the Bonds is not subject to Finnish transfer taxation.

## **OTHER INFORMATION**

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

In this Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union. References to any other currencies or currency codes are to current currencies in accordance with ISO 4217 Currency Codes standard.



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

### **Terms and Conditions**

**Fortaco Group Holdco Oyj (formerly known as OEP Finnish Bidco Oy)**

**Initial issue of EUR 75,000,000**

**Senior Secured Floating Rate Bonds**

**ISIN: NO0012547274**

**originally dated 19 July 2022 as amended 26 April 2023**

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

## PRIVACY NOTICE

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

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

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

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

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

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

## 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 Securities Depository Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Finland (including IFRS) as applied by the Issuer in preparing its annual consolidated financial statements.

“**Acquisition**” means the Issuer’s acquisition from the Vendor of all shares issued in the Target.

“**Acquisition Account**” means one or several bank or custody account(s) opened in the name of the Issuer by the Paying Agent, or any other bank or custody account(s) subsequently opened in the name of the Issuer replacing the initial Acquisition Account, into which cash or cash equivalents in accordance with the Accounting Principles (including Bonds) in an amount of EUR 13,000,000 shall be transferred from the Proceeds Account on the Disbursement Date for the purpose of partly finance the Buisard Acquisition and/or financing expansionary capex investments, and which has been pledged (such pledge having been perfected) prior to the Disbursement Date (other than in respect of any new bank or custody account which shall replace the initial Acquisition Account, which shall be pledged and the pledge having been perfected prior to such replacement) in favour of the Security Agent and the Bondholders (represented by the Security Agent).

“**Acquisition Account Pledge Agreement**” means the pledge agreement entered into between the Issuer, the Paying Agent and the Security Agent in respect of a first priority pledge over the Acquisition Account and all funds held on the Acquisition Account from time to time, granted in favour of the Security Agent and the Bondholders (represented by the Security Agent), and any pledge agreement over any other bank accounted subsequently opened in the name of the Issuer replacing the initial Acquisition Account.

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

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

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

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

“**Agent**” means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Agreed Security Principles**” means the principles set out in Schedule 2 (*Agreed Security Principles*).

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

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

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

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 6 (*Bondholder*).

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

**“Bond Issue”** means the Initial Bond Issue and any Subsequent Bond Issue.

**“Buisard”** means Buisard S.A.S., a company incorporated and existing under the laws of France, registered with the Trade and Companies Register of Le Mans under number 352 512 479.

**“Buisard Acquisition”** means the potential acquisition of the remaining 65 per cent. of the shares issued in Buisard.

**“Buisard Financing”** means the financial indebtedness incurred by Buisard in an amount of approximately EUR 5,200,000, or any replacement thereof.

**“Buisard Group”** means Buisard and its Subsidiaries from time to time, and each a **“Buisard Group Company”**.

**“Buisard Material Group Company”** means Buisard or any of its Subsidiaries, provided that any such entity constitutes a Material Group Company (calculated pro forma using the most recent Financial Report and the most recent financial report for such Buisard Group Company at the time of the Buisard Acquisition).

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

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

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

**“Change of Control Event”** means the occurrence of an event or series of events whereby one or more Persons, not being a Sponsor, acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

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

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the Incurrence Test and the basis on which it has been calculated);
- (c) clean down of the Super Senior RCF or the Working Capital Facility (as applicable); and/or
- (d) if the Compliance Certificate is provided in connection with that audited annual financial statements are made available, the Material Group Companies.

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

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

**“Disbursement Date”** means the date when the conditions precedent pursuant to Clause 4.1 (*Conditions Precedent Initial Bond Issue*) are satisfied and the Net Proceeds from the Initial Bonds Issue are transferred in accordance with Clause 4.1(d).

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;

- (b) before deducting any Net Finance Charges;
- (c) before taking into account (i) any extraordinary items which are not in line with the ordinary course of business, and (ii) any non-recurring items, provided that the combined amount of (i) and (ii) may not exceed 12.5 per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any target company (including the Target);
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset (in each case other than in the ordinary course of trading);
- (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) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation, depletion or non-cash write-down of assets of members of the Group,

provided that any leasing liability or expense shall, for the purpose of determining EBITDA, be treated in accordance with generally accepted accounting principles in Finland applicable on the First Issue Date.

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

“EURIBOR“ means:

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

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

**“Equity Injection”** means the injection of equity to be made by the Sponsor in an amount corresponding to not less than EUR 62,000,000.

**“Equity Listing Event”** means an initial public offering of shares in the Issuer or the direct parent company of the Issuer, after which such shares shall be admitted to trading on a Regulated Market or an MTF.

**“Event of Default”** means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.8 (*Continuation of the Business*).

**“Existing Buisard Vendor Loans”** means the vendor loans in an original principal amount of EUR 4,500,000 granted by SOCAB to the Target in relation to the acquisition of approximately 35 per cent. of the shares issued in Buisard.

**“Existing Mortgage Debt”** means the mortgage debt granted by Swedbank in relation to the properties located in Estonia (including any extension or refinancing of such mortgage debt).

**“Final Maturity Date”** means 22 July 2027.

**“Finance Charges”** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, any interest in respect of any loan owing to any member of the Group or capitalised interest in respect of any Shareholder Debt and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

**“Finance Documents”** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Guarantee and Adherence Agreement;
- (f) the Intercreditor Agreement (if any); and
- (g) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

**“Finance Leases”** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with generally accepted accounting principles in Finland applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the generally accepted accounting principles in Finland as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a finance lease.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction,

only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);

- (f) any earn-out obligations (other than earnout obligations to be settled in shares) which is accounted for as indebtedness in the financial accounts of any Group Company (or which should have been classified as indebtedness according to the applicable accounting principles of the Group if properly applied);
- (g) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(g) above.

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

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

**“First Call Date”** means the date falling 30 months after the First Issue Date.

**“First Issue Date”** means 22 July 2022.

**“Force Majeure Event”** has the meaning set forth in Clause 27(a).

**“Fortaco Earn-Out”** means the potential earn-out payment to be made by the Issuer in respect of the Acquisition in a maximum amount of EUR 17,200,000, which will be calculated based on the 2022 EBITDA for the Target Group and which will be payable should the 2022 EBITDA exceed EUR 23,000,000, and which will be in a minimum amount of approximately EUR 4,600,000 and which will increase linearly to a maximum of EUR 17,200,000 provided that the 2022 EBITDA for the Target Group amounts to EUR 28,200,000.

**“Group”** means the Issuer and each of its Subsidiaries from time to time, including the Target Group, and **“Group Company”** means any of them.

**“Guarantee and Adherence Agreement”** means the guarantee and adherence agreement pursuant to which the Guarantors shall, amongst other, (i) guarantee all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, and (ii) undertake to adhere to the terms of the Finance Documents.

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

**“Guarantors”** means each wholly-owned Material Group Company.

**“IFRS”** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

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

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

**“Initial Bond Issue”** means the issuance of the Initial Bonds.

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

**“Insolvent”** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**“Intercreditor Agreement”** means the intercreditor agreement which may be entered into between, amongst other, the Issuer, the super senior RCF creditors under the Super Senior RCF, the facility agent under the Super Senior RCF, certain hedging counterparties and the Agent (representing the Bondholders), on the principle terms set out in the Intercreditor Principles.

**“Intercreditor Principles”** means the intercreditor principles set out in Schedule 1 (*Intercreditor Principles*) to these Terms and Conditions.

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

**“Interest Payment Date”** means 22 January, 22 April, 22 July and 22 October each year. The first Interest Payment Date shall be 22 October 2022. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted due to an application of the Business Day Convention.

**“Interest Rate”** means the Base Rate plus 7.00 per cent. *per annum* as adjusted by any application of Clause 20 (*Replacement of Base Rate*).

**“Issue Date”** means the First Issue Date and any subsequent date when a Subsequent Bond Issue takes place.

**“Issuer”** means Fortaco Group Holdco Oyj (formerly known as OEP Finnish Bidco Oy), a limited liability company incorporated in Finland with reg. no. 3281147-3.

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

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

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

**“Material Adverse Effect”** means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Group’s ability to perform and comply with its obligations under the Finance Documents; or
- (a) the validity or enforceability of the Finance Documents.

**“Material Group Company”** means any Group Company (other than (i) the Issuer, and (ii) Linda Properties OÜ) with earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) representing 10 per cent. or more of EBITDA calculated on a consolidated basis according to the latest annual audited consolidated financial statements of the Group or, for the period until annual audited consolidated financial statements of the Group are available, calculated on a consolidated basis according to the latest annual audited consolidated financial statements of the Target Group.

**“Material Intercompany Loan”** means any intercompany loans provided by the Issuer to any Group Company where:

- (a) the term of the intercompany loan is at least 12 months; and
- (a) the principal amount thereof, when aggregated with all other intercompany loans with a term of at least twelve months between the Issuer as creditor and the same Subsidiary as debtor, is at least in an amount exceeding EUR 1,000,000 (or the equivalent in any other currency).

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

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



**“Net Interest Bearing Debt”** means (i) the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Group (for the avoidance of doubt, including any cash standing to the credit of the Acquisition Account) in accordance with the Accounting Principles (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Debt, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company), plus (ii) the Group’s *pro rata* share (based on the Group’s ownership share at any time) of the Buisard Financing (provided that no amount shall be double counted for), and in each case, for the avoidance of doubt, not including any receivables to the extent they are sold on a non-recourse basis.

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

**“Nominal Amount”** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Mandatory partial redemption*) and/or 9.5 (*Voluntary partial redemption*).

**“Obligors”** means the Issuer and each Guarantor.

**“Paying Agent”** means NT Services AS, reg. no. 916 482 574, Kronprinsesse Märthas plass 1, 0160 Oslo, Norway.

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

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred, prior to the entering into of an Intercreditor Agreement, by any member of the Group under any Working Capital Facility, and, after the entering into of an Intercreditor Agreement, under a Super Senior RCF, in each case in a maximum aggregate amount being the higher of (i) EUR 7,500,000, and (ii) 35 per cent. of EBITDA of the Group;
- (c) incurred under the Existing Mortgage Debt (including any replacement or refinancing of the Existing Mortgage Debt) in a maximum amount not exceeding EUR 8,000,000, provided that any amount amortised may not be re-borrowed;
- (d) incurred under the Existing Buisard Vendor Loans;
- (e) incurred under the Buisard Financing;
- (f) to the extent covered by a letter of credit, guarantee or indemnity issued under, prior to the entering into of an Intercreditor Agreement, a Working Capital Facility, and, after the entering into of an Intercreditor Agreement, the Super Senior RCF, or any ancillary facility relating to a Working Capital Facility or Super Senior RCF (as applicable);
- (g) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (h) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made, but not any transaction for investment or speculative purposes;
- (i) of the Group incurred pursuant to any Finance Leases incurred in the ordinary course of the Group’s business;
- (j) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (k) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (l) incurred under any Shareholder Debt;

- (m) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and
  - (i) is incurred as a result of a Subsequent Bond Issue; or
  - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
  - (iii) is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (n) incurred as a result of any Group Company acquiring another entity after the First Issue Date (including the Acquisition) which entity already had incurred Financial Indebtedness but not incurred or increased or having its maturity date extended in contemplation of, or since that acquisition, provided that such Financial Indebtedness is:
  - (i) repaid in full within six (6) months of completion of such acquisition; or
  - (ii) refinanced in full within six (6) months of completion of such acquisition with the Issuer as the new borrower;
- (o) incurred under Advance Purchase Agreements;
- (p) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (q) incurred (i) under the Fortaco Earn-Out, and (ii) as any other earn-out obligations which is accounted for as indebtedness in the financial accounts of any Group Company (or which should have been classified as indebtedness according to the Accounting Principles of the Group if properly applied) provided that such indebtedness under this item (ii) meets the Incurrence Test (tested *pro forma*);
- (r) incurred under a vendor note issued to a vendor under any share purchase agreement entered into by a member of the Group, provided that:
  - (i) such amount is set-off against shares in a direct or indirect parent company of the Issuer no later than on the closing date of such acquisition; or
  - (ii) such indebtedness is:
    - (A) subordinated to the obligations of the Issuer under the Finance Documents;
    - (B) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
    - (C) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date;
- (s) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (t) 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; and

- (u) not covered under paragraphs (a)-(t) above in an aggregate maximum amount of EUR 2,000,000.

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

- (a) provided under the Finance Documents and otherwise permitted pursuant to the Intercreditor Agreement (if any);
- (b) provided for any interest rate hedging transactions, permitted under paragraph (g) of the definitions of “Permitted Debt”;
- (c) provided for any foreign exchange transaction or commodity transaction, permitted under paragraph (h) of the definition of “Permitted Debt”;
- (d) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (i) of the definition of “Permitted Debt”;
- (e) provided in relation to the Existing Mortgage Debt permitted pursuant to paragraph (c) of the definition of “Permitted Debt”;
- (f) provided in relation to the Existing Buisard Vendor Loans permitted pursuant to paragraph (d) of the definition of “Permitted Debt”;
- (g) provided in relation to the Buisard Financing permitted pursuant to paragraph (e) of the definition of “Permitted Debt”;
- (h) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (i) arising under any netting or set-off arrangements under financial derivatives transactions or banking arrangements, including cash pool arrangements;
- (j) 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 guarantees or Security in respect of any monies borrowed or raised);
- (k) subsisting as a result of any Group Company acquiring another entity after the First Issue Date (including the Acquisition) which entity already had provided security for Financial Indebtedness permitted under paragraph (n) of the definition of “Permitted Debt”, provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (l) provided in relation to any Financial Indebtedness permitted pursuant to paragraph (m) of the definition of “Permitted Debt”;
- (m) provided in relation to any counter-indemnity obligation permitted pursuant to paragraph (s) of the definition of “Permitted Debt”;
- (n) affecting any asset acquired by any Group Company after the First Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (o) provided for any pension or tax liabilities permitted under paragraph (p) of the definition of “Permitted Debt”;
- (p) created for the benefit of the financing providers in relation to any Financial Indebtedness incurred in connection with a refinancing of the Bonds in full, permitted pursuant to paragraph (t) of the definition of “Permitted Debt”, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);

- (q) provided for any guarantees issued by a Group Company in the ordinary course of business; or
- (r) not covered under paragraphs (a)-(q) above securing an aggregate maximum amount of EUR 2,000,000.

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

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

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

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

**“Record Date”** means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding CSD Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Agent.

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

**“Reference Period”** means each period of twelve consecutive calendar months.

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

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

**“Secured Obligations”** means, prior to the entering into of an Intercreditor Agreement, all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor or any other member of the Group granting Transaction Security towards the Secured Parties outstanding from time to time under the Finance Documents, and, after the entering into of an Intercreditor Agreement, shall have the meaning given to such term in the Intercreditor Agreement.

**“Secured Parties”** means, prior to the entering into of an Intercreditor Agreement, the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement), and after the entering into of an Intercreditor Agreement, shall have the meaning given to such term in the Intercreditor Agreement.

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

**“Securities Depository Act”** means the Norwegian Securities Depository Act (*lov om registrering av finansielle instrumenter (lov 05.07.2002 no. 64)*).

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

**“Security Agent”** means the security agent, holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ) on the First Issue Date and which, after the entering into of an Intercreditor Agreement, will be appointed by the Secured Parties pursuant to the Intercreditor Agreement.

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

**“Shareholder Debt”** means any shareholder loan made to the Issuer as debtor, if such loan:

- (a) according to the Intercreditor Agreement (if any) or the Subordination Agreement (as applicable) is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date.

**“Sole Bookrunner”** means Pareto Securities AB.

**“Sponsor”** means One Equity Partners VIII, L.P., One Equity Partners VIII A, L.P., One Equity Partners VIII B, SCSp and OEP Capital Advisors, L.P., or funds managed by any of them, or any of their Affiliates.

**“Subordination Agreement”** means the subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Shareholder Debt.

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

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

**“Subsidiary”** means, in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**“Super Senior Debt”** has the meaning given thereto in the Intercreditor Agreement (if any).

**“Super Senior RCF”** has the meaning given thereto in the Intercreditor Agreement (if any).

**“Target”** means Fortaco Group Oy, Finnish reg. no. 2083946-0.

**“Target Group”** means the Target and each of its Subsidiaries from time to time.

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

**“Transaction Costs”** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) a Bond Issue, (ii) the Super Senior Debt, and (iii) the listing of the Bonds.

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

- (a) share pledge in respect of all shares in the Issuer and in the Target, and all shares owned by a Group Company in each Material Group Company (which, in respect of each Material Group Company (other than the Target), initially shall be in accordance with Clause 4.2 (*Conditions Subsequent*));
- (b) an account pledge over the Acquisition Account;
- (c) pledge over any Material Intercompany Loans;
- (d) pledge over any existing mortgages issued in real property owned by the Issuer and each wholly-owned Material Group Company (which, in respect of each wholly-owned Material Group Company, initially shall be in accordance with Clause 4.2 (*Conditions Subsequent*)); and

- (e) pledge over any existing mortgages or floating charges issued in the business of the Issuer and each wholly-owned Material Group Company (which, in respect of each wholly-owned Material Group Company, initially shall be in accordance with Clause 4.2 (*Conditions Subsequent*)).

“**Vendors**” means CapMan Buyout Fund VIII A L.P., CapMan Buyout Fund VIII B KB, Maneq 2008 AB, Maneq 2009 AB, Maneq 2012 AB, and Leverator Oy, and each a “**Vendor**”.

“**Working Capital Facility**” means any working capital facility provided for the general corporate purposes of the Group.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) “assets” includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a “regulation” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted;
  - (vi) “Security Agent” in Clause 21 (*Appointment and Replacement of the Agent and the Security Agent*), other than in Clause 21.1(a)(ii) and Clause 21.1(b), shall not be applicable after the entering into of the Intercreditor Agreement; and
  - (vii) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous CSD Business Day, as published by the European Central Bank on its website [ecb.europa.eu](http://ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is EUR 1,000 (the “**Initial Nominal Amount**”). The maximum total nominal amount of the Initial Bonds is EUR 75,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 96 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is EUR 100,000.
- (e) The ISIN of the Bonds is NO0012547274.
- (f) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a “**Subsequent Bond Issue**”). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (g) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and, after the entering into of an Intercreditor Agreement, (B) the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement.
- (h) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (i) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### 3. Use of Proceeds

- (a) The proceeds from the Initial Bond Issue shall be used to, together with the Equity Injection:
  - (i) finance the Acquisition;
  - (ii) finance the Acquisition Account in an amount of EUR 13,000,000;
  - (iii) finance Transaction Costs; and
  - (iv) finance general corporate purposes of the Group.
- (b) The proceeds from any Subsequent Bond Issue shall be used to:
  - (i) finance general corporate purposes of the Group (including capital expenditures and acquisition); and
  - (ii) finance Transaction Costs.

#### **4. Conditions Precedent, Conditions Subsequent and Release from Acquisition Account**

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

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected, notwithstanding the Agreed Security Principles.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent and the Paying Agent) to be entered into pursuant to this Clause 4.1, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the following Finance Documents, duly executed:
    - (A) these Terms and Conditions;
    - (B) the Agency Agreement;
    - (C) the Security Documents relating to the Issuer and to the shares in the Target;
    - (D) the pledge agreement over the Acquisition Account; and
    - (E) the Intercreditor Agreement (if any);
  - (iii) evidence that the Transaction Security pursuant to paragraph (ii) above either has been or will be perfected in accordance with the terms of the Finance Documents (other than as set out under Clause 4.2 (*Conditions Subsequent*));
  - (iv) evidence that the Equity Injection has been made;
  - (v) a copy of a funds flow statement;
  - (vi) evidence that the Acquisition Account will, immediately upon disbursement of funds from the Proceeds Account, be funded in an amount of EUR 13,000,000;
  - (vii) closing certificate signed by the Issuer confirming that all closing conditions for the acquisition of the Target (except for the payment of the purchase price) have been satisfied or waived and that the acquisition will be consummated immediately upon disbursement of funds from the Proceeds Account;
  - (viii) an agreed form Compliance Certificate;
  - (ix) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish or non-Finnish entity being party to a Finance Document issued by a reputable law firm; and
  - (x) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law or Finnish law or, in respect of the Proceeds Account Pledge Agreement and the Acquisition Account Pledge Agreement, Norwegian law, issued by a reputable law firm.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(a) and 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation



and evidence referred to in Clause 4.1(a) and 4.1(b) above from a legal or commercial perspective of the Bondholders.

- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent by 31 December 2022, the Issuer shall repurchase all Bonds at a price equal to 96 per cent. of the Initial Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(e). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than 30 Business Days after 31 December 2022.

## **4.2 Conditions Subsequent**

- (a) The Issuer shall no later than 90 days following disbursement from the Proceeds Account provide the Agent with the following:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Material Group Companies and each party to a Finance Document (other than the Agent and the Paying Agent, as applicable) to be entered into pursuant to this Clause 4.2, together constituting evidence that the relevant Finance Documents have been duly executed;
  - (ii) copy of an accession letter to the Intercreditor Agreement (if an Intercreditor Agreement has been entered into no later than in connection with the delivery of the other conditions subsequent documents set out in this Clause 4.2), duly executed by the Material Group Companies;
  - (iii) copies of the relevant Security Documents relating to the relevant Material Group Companies, duly executed;
  - (iv) evidence that the documents and other evidences to be delivered pursuant to the relevant Security Documents will be delivered as soon as practicably possible following execution;
  - (v) the Guarantee and Adherence Agreement, duly executed;
  - (vi) a list of the Material Group Companies as of a date falling no later than 90 days from the Disbursement Date; and
  - (vii) legal opinion(s) on the capacity, due execution, in respect of any party to the Finance Documents (not being incorporated in Sweden or Finland) prepared by the counsel of the Sole Bookrunner or the Secured Parties; and
  - (viii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law or Finnish law prepared by the counsel of the Sole Bookrunner or the Secured Parties.
- (b) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.2(a) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.2(a) above from a legal or commercial perspective of the Bondholders.

#### **4.3 Release of Proceeds from Acquisition Account**

- (a) Provided that the conditions precedent set out in Clause 4.1 (*Conditions Precedent Initial Bond Issue*) have been satisfied, in connection with the Buisard Acquisition, the Agent shall release proceeds standing to the credit of the Acquisition Account to be applied towards the Buisard Acquisition provided that the Issuer has issued to the Agent a confirmation that:
  - (i) all closing conditions for the Buisard Acquisition (except for the payment of the purchase price) have been satisfied or waived;
  - (ii) the Buisard Acquisition will be consummated as soon as practicable upon disbursement of funds from the Acquisition Account; and
  - (iii) any existing Financial Indebtedness and/or existing Security not constituting Permitted Debt or Permitted Security, as applicable, incurred or granted by Buisard will be repaid or released, as applicable, promptly in connection with the completion of the acquisition.
- (b) Provided that the conditions precedent set out in Clause 4.1 (*Conditions Precedent Initial Bond Issue*) have been satisfied, in connection with an expansionary capex investment, the Agent shall release proceeds standing to the credit of the Acquisition Account to be applied towards an expansionary capex investment provided that the Issuer has issued to the Agent a certificate signed by the CFO of the Target confirming that the funds will be applied towards an expansionary capex investment.

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

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in dematerialized form in the CSD according to the Securities Depository Act and the requirements of the CSD. Registration requests relating to the Bonds shall be directed to the Paying Agent or an Account Operator.
- (b) The Issuer shall at all times ensure that the registration of the Bonds in the CSD is correct and shall as soon as practicably possible after any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation.
- (c) In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD (subject to applicable law).

#### **6. Bondholders' Rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Agent.
- (b) A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Agent shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

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

of each payment date or when other payments are due and payable pursuant to these Terms and Conditions.

- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) If a payment date to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.
- (d) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(c) during such postponement.
- (e) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (f) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. Interest**

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

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

### **9.1 Redemption at maturity**

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

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer (including Bonds repurchased by the Issuer pursuant to Clause 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*))) may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a redemption or repurchase of the Bonds in full).

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

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
  - (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.50 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest;
  - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the date falling 42 months after the First Issue Date at an amount per Bond equal to 102.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the date falling 48 months after the First Issue Date at an amount per Bond equal to 102.10 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (v) any time from and including the first Business Day falling 48 months after the First Issue Date to, but excluding, the date falling 54 months after the First Issue Date at an amount per Bond equal to 101.05 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (vi) any time from and including the first Business Day falling 54 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent which must be fulfilled at least three CSD Business Days prior to the Redemption Date. 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.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant Record Date to, but excluding, the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the Paying Agent, the CSD and the Agent in connection with such repayment.

#### **9.4 Mandatory partial redemption**

The Issuer shall apply any proceeds standing to the credit of the Acquisition Account after the date falling 24 months from the Disbursement Date towards redemption of the Bonds, in which case all outstanding Bonds shall be partially redeemed by way of reducing the Nominal Amount of each Bond *pro rata* in accordance with the applicable regulations of the CSD. The repayment shall be made on the following Interest Payment Date. The repayment per Bond shall be 101.00 per cent. of the Nominal Amount together with any accrued but unpaid interest on the redeemed amount.

#### **9.5 Voluntary partial redemption**

- (a) The Issuer may redeem the Bonds on one or several occasions in a minimum amount of five per cent. of the Total Nominal Amount per occasion. The repayment must occur on an Interest Payment Date. The repayment per Bond shall be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period together with any accrued but unpaid interest on the redeemed amounts. All Bonds shall be partially redeemed by way of *pro rata* payments to the Bondholders in accordance with the applicable regulations of the CSD.
- (b) The Issuer may on one occasion, in connection with an Equity Listing Event, repay up to 35 per cent. of the total Initial Nominal Amount, in which case all outstanding Bonds shall be partially redeemed by way of reducing the Nominal Amount of each Bond *pro rata* in accordance with the applicable regulations of the CSD. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period together with any accrued but unpaid interest on the redeemed amount.
- (c) Partial redemption in accordance with this Clause 9.5 shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in EUR and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.
- (d) Notwithstanding paragraph (a) above, the Total Nominal Amount must be 75 per cent. of the total Initial Nominal Amount plus the aggregate amount of any Subsequent Bonds at any time other than in connection with a redemption of the Bonds in full in accordance with Clause 9.1 (*Redemption at maturity*) or Clause 9.3 (*Voluntary total redemption (call option)*), and other than in connection with a partial redemption in accordance with Clause 9.5(b).

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

- (a) Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 60 days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(d) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the

instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than 20 CSD Business Days after the end of the period referred to in Clause 9.6(a).

- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.

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

- (a) Subject to the Intercreditor Agreement (if any), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) All Transaction Security and Guarantees shall be subject to, and limited as required by, financial assistance regulations, corporate benefit limitations and other corporate law limitations (which in respect of the Target Group will exclude any part of the proceeds from the Initial Bond Issue used to finance the Acquisition or costs related thereto), and be granted pursuant to and in accordance with the Agreed Security Principles.
- (c) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement, and the Intercreditor Agreement (if any) (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.
- (d) Unless and until the Security Agent has received instructions to the contrary in accordance with the Intercreditor Agreement or, if no Intercreditor Agreement is entered into, from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the super senior RCF creditor's under the Super Senior RCF, the creditors' under any New Debt, the hedge counterparties' under the Hedging Agreement or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (e) The Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- (f) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement (if any).

## **11. Information to Bondholders**

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

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:

- (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) any other information required by the Finnish Securities Markets Act and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed on a Regulated Market:
  - (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in paragraph (a)(i) and (a)(ii) above shall be prepared in accordance with IFRS.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall procure that the aggregate Nominal Amount held by the Issuer, including any amount of Bonds cancelled by the Issuer, is clearly stated in each quarterly unaudited consolidated report published by the Issuer pursuant to paragraph (a)(ii) above.
- (e) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (f) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available;
  - (iii) in respect of the clean down of the Working Capital Facility or the Super Senior RCF (as applicable); and
  - (iv) at the Agent's request, within 20 days from such request.
- (h) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (g) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.

- (i) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

## **11.2 Information from the Agent**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **11.3 Publication of Finance Documents**

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

## **12. Financial Undertakings**

### **12.1 Incurrence Test**

The Incurrence Test is met if:

- (a) the Leverage Ratio is below:
  - (i) 3.75:1 from the First Issue Date until (and including) the date falling 36 months after the First Issue Date;
  - (ii) 3.50:1 from (but excluding) the date falling 36 months after the First Issue Date until (and including) the date falling 48 months after the First Issue Date; and
  - (iii) 3.00:1 from (but excluding) the date falling 48 months after the First Issue Date until (and including) the Final Maturity Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness.

### **12.2 Testing of the Incurrence Test**

The Leverage Ratio for purpose of the Incurrence Test shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness; and
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness



to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt); and

- (c) notwithstanding the above, if the Incurrence Test is tested in connection with incurrence of Financial Indebtedness to be used for an acquisition, the Issuer may, at its sole discretion, calculate the Leverage Ratio based on the Leverage Ratio for the target company only on a stand-alone basis. The Net Interest Bearing Debt shall be measured for the relevant target company on the relevant testing date so determined, but include the new Financial Indebtedness incurred by the Group for the acquisition and shall include any cash injected in the form of unconditional equity or Shareholder Debt.

### **12.3 Calculation Adjustments**

The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period;
- (b) without double counting, provided that Buisard does not constitute a Group Company, the Group's *pro rata* share of the earnings before interest, depreciation and amortisations (calculated on the same basis as set out in the definition of "EBITDA") of the Buisard Group shall be included for the entire Reference Period; and
- (c) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.

## **13. General Undertakings**

### **13.1 General**

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

### **13.2 Restricted Payments**

- (a) No Obligor shall, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) repay any Shareholder Debt or pay any interest thereon;
  - (v) grant any loans except in the ordinary course of business; or
  - (vi) make any other similar distribution or transfers of value to any Person,(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made:

- (i) if made to the Issuer or a direct or indirect wholly-owned Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (ii) if required to be made pursuant to mandatory law; and/or
- (iii) by the Issuer to the Sponsor for the purpose of paying management fees in an amount not exceeding EUR 300,000 per calendar year, provided that no Event of Default is outstanding or would occur as a result of such Restricted Payment.

### **13.3 Listing**

- (a) The Issuer shall ensure that:
  - (i) the initial Bonds are listed on Nasdaq Helsinki or, if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred, admitted to trading on another Regulated Market within twelve months after the First Issue Date;
  - (ii) any Subsequent Bonds are listed on Nasdaq Helsinki or if such admission to trading is not possible to obtain or maintain, or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred admitted to trading on another Regulated Market, within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling twelve months after the First Issue Date in which case such Subsequent Bonds shall be listed within twelve months after the First Issue Date); and
  - (iii) the Bonds, once admitted to trading on the relevant Regulated Market, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).
- (b) The Issuer shall use its best efforts to procure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange within 60 days after the relevant Issue Date and with an intention to complete such listing within 30 days after the relevant Issue Date, and that the Bonds continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant exchange and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### **13.4 Nature of Business**

Each Obligor shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

### **13.5 Financial Indebtedness**

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

### **13.6 Disposal of Assets**

- (a) Subject to the terms of the Intercreditor Agreement (if any), no Obligor shall, and shall procure that no Subsidiary will, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations other than:
  - (i) to the Issuer or any of its wholly-owned Subsidiaries;

- (ii) in the form of receivables sold or discounted on a non-recourse basis; or
  - (iii) if the transaction is carried out at fair market value and on arm's length terms and does not have a Material Adverse Effect.
- (b) No asset that is subject to Transaction Security (other than under a business mortgage or a floating charge) may be disposed of other than in accordance with the terms of the Intercreditor Agreement (if any).

### **13.7 Negative Pledge**

No Obligor shall, and shall procure that none of its Subsidiaries will, provide, retain, prolong or renew any Security over any of its/their assets (present or future), other than any Permitted Security.

### **13.8 Clean Down of Working Capital Facility or Super Senior RCF**

The Issuer shall procure that during each calendar year there shall be a period of three consecutive days during which the amount outstanding under the Super Senior RCF or Working Capital Facility (as applicable) (excluding any non-cash elements of ancillary facilities), less cash and cash equivalents of the Group, amounts to zero or less. Not less than six months shall elapse between two such periods. The clean down shall be confirmed in a Compliance Certificate to the Agent within ten Business Days from the completion of each clean down.

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

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

### **13.10 Compliance with laws and authorisations**

Each Obligor shall, and shall make sure that its Subsidiaries will:

- (a) comply with all laws and regulations applicable from time to time; and
- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company,

in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.11 Nomination of Material Group Companies**

At:

- (a) the date falling no later than 90 days from the Disbursement Date;
- (b) the date of delivery of the Compliance Certificate once every year (starting in 2023) (simultaneously with the publication by the Issuer of the audited annual financial statements of the Group); and
- (c) the date falling no later than 90 days from the completion of the Buisard Acquisition with proceeds standing to the credit of the Acquisition Account,

the Issuer shall ensure that:

- (a) each Group Company which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has EBITDA representing 10 per cent. or more of EBITDA of the Group (calculated on a consolidated basis); and

- (b) such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies (calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any Group Company) in aggregate account for at least 85 per cent. of EBITDA of the Group (calculated on a consolidated basis but excluding Linda Properties OÜ),

in each case, determined by reference to the most recent audited annual financial statements, which, for the avoidance of doubt, in respect of the calculation to be made in connection with the Disbursement Date shall be made based on the Target Group's financial statements for the financial year 2021, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto.

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

Each Obligor shall procure that Security over each (i) Material Group Company is granted no later than 90 days after its nomination in accordance with the first item (b) of Clause 13.11 (*Nomination of Material Group Companies*) above, (ii) other Group Company as is necessary to satisfy the requirement in the second item (b) of Clause 13.11 (*Nomination of Material Group Companies*) is granted no later than 90 days after the Disbursement Date, and (iii) Buisard Material Group Company is granted within 90 days from completion of the Buisard Acquisition, (in each case subject to customary financial assistance and corporate benefit limitations) and in connection therewith provide to the Agent:

- (a) constitutional documents and corporate resolutions (approving the relevant Security Document and authorising a signatory/-ies to execute that Security Document) for the relevant security provider and each other party to that Security Document (other than the Agent);
- (b) copies of the relevant Security Documents duly executed;
- (c) evidence that the Transaction Security either has been or will be perfected in accordance with the terms of the relevant Security Documents;
- (d) any legal opinion on the capacity and due execution in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden or Finland, issued by a reputable law firm; and
- (e) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law or Finnish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

### **13.13 Additional Guarantors**

Each Obligor shall procure that each (i) Material Group Company that is wholly-owned by the Issuer accedes to the Guarantee and Adherence Agreement no later than 90 days after its nomination in accordance with the first item (b) of Clause 13.11 (*Nomination of Material Group Companies*) above, (ii) other Group Company as is necessary to satisfy the requirement of the second item (b) of Clause 13.11 (*Nomination of Material Group Companies*) accedes to and/or enters into (as applicable) the Guarantee and Adherence Agreement no later than 90 days after the Disbursement Date (provided that such Group Company is wholly-owned), and (iii) Buisard Material Group Company accedes to the Guarantee and Adherence Agreement no later than 90 days from completion of the Buisard Acquisition, and in connection therewith provides to the Agent:

- (a) Security pursuant to the terms hereof and the Intercreditor Agreement (if any);
- (b) duly executed accession letters to the Guarantee and Adherence Agreement;
- (c) duly executed accession letters to the Intercreditor Agreement (if any);

- (d) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for it and each other party to a Finance Document (other than the Agent);
- (e) any legal opinion on the capacity and due execution unless such Material Group Company is incorporated in Sweden or Finland, issued by a reputable law firm; and
- (f) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law or Finnish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

#### **13.14 Additional Security Material Intercompany Loans**

Each Obligor shall and shall procure that each Group Company will, upon the incurrence of a Material Intercompany Loan, grant a pledge over that Material Intercompany Loan as Security (subject to customary financial assistance and corporate benefit limitations) for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Agent (unless previously provided):

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

#### **13.15 Conditions Subsequent**

The Issuer shall comply with Clause 4.2 (*Conditions Subsequent*).

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

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.9 (*Acceleration of the Bonds*)) is an Event of Default.

#### **14.1 Non-Payment**

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

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

#### **14.2 Other Obligations**

A party (other than the Agent) fails to comply with the Finance Documents, in any other way than as set out in Clause 14.1 (*Non-Payment*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within 15 Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

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

Any Financial Indebtedness of the Issuer, any Guarantor or any Material Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 14.3 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 3,000,000 or (ii) it is owed to a Group Company.

#### **14.4 Insolvency**

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

#### **14.5 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised, (ii) proceedings or petitions concerning a claim which is less than EUR 3,000,000, and (iii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

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

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

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer, any Guarantor or any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 3,000,000 and is not discharged within 60 days.

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

A decision is made that any Group Company shall enter into a merger or demerger if such merger or demerger is likely to have a Material Adverse Effect, provided that a:

- (a) merger subject to existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default; and
- (b) merger involving the Issuer, where the Issuer is not the surviving entity, and/or a demerger of the Issuer, shall always be considered an Event of Default.

#### **14.8 Continuation of the Business**

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

#### **14.9 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement (if any), the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.9(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.9(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) Subject to the Intercreditor Agreement (if any), in the event of an acceleration of the Bonds in accordance with this Clause 14.9, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

#### **15. Distribution of Proceeds**

- (a) Subject to paragraph (b) below, if no Intercreditor Agreement has been entered into, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Transaction Security and Guarantees to the extent such proceeds can be applied towards satisfaction of the below) shall be distributed in the following order of priority:
  - (i) *first*, in or towards payment *pro rata* of:

- (A) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders);
  - (B) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent;
  - (C) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2(g); and
  - (D) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(m);
- (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) Notwithstanding paragraph (a) above, following the entering into of an Intercreditor Agreement, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Transaction Security and Guarantees to the extent such proceeds can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreement.
- (c) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).
- (d) If no Intercreditor Agreement has been entered into, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable. Following the entering into of an Intercreditor Agreement, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (e) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Mandatory partial redemption*) and/or Clause 9.5 (*Voluntary partial redemption*) due but not made, the relevant Record Date specified in Clause 9.4 (*Mandatory partial redemption*) and/or 9.5 (*Voluntary partial redemption*) (as applicable) shall apply.



## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the CSD Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:
  - (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given; or
  - (ii) the suggested decision is not in accordance with applicable regulations.
- (d) Only a Bondholder, or the beneficial owner thereof having presented relevant evidence to the Agent pursuant to Clause 6 (*Bondholder*):
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the CSD Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) a change to the terms of any of Clause 2(a), and Clauses 2(g) to 2(i);
  - (ii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iii) a change to the Interest Rate (other than as a result of an application of Clause 20 (*Replacement of Base Rate*) or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Mandatory partial redemption*) and/or Clause 9.5 (*Voluntary partial redemption*);
  - (iv) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (v) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);

- (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (vii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (viii) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement (as applicable);
  - (ix) a mandatory exchange of the Bonds for other securities; and
  - (x) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or 19(a)(ii)), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not

adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

#### **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder through the CSD no later than five CSD Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4(c), the Issuer shall no later than five CSD Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than ten Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

#### **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five CSD Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the Bondholders through the CSD.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD

Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. Amendments and Waivers**

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*); or
  - (iv) is made pursuant to Clause 20 (*Replacement of Base Rate*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. Replacement of Base Rate**

### **20.1 General**

- (a) Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 20 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- (b) If a Base Rate Event has occurred, this Clause 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 Amendments”** has the meaning set forth in Clause 20.3(d)

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

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five 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 Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or 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 paragraph (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in paragraphs (b) to (e) above will occur within six months.

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

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

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

**“Successor Base Rate”** means:

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

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

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

- (a) Without prejudice to paragraph (b) below, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to paragraph (b) below.
- (b) If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- (c) If the Issuer fails to appoint an Independent Adviser in accordance with paragraph (b) above, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in paragraph (b) above. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clauses 20.3 to 20.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- (d) The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- (e) Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

### **20.4 Interim measures**

- (a) If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
  - (i) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or

- (ii) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- (b) For the avoidance of doubt, paragraph (a) above shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20. This will however not limit the application of paragraph (a) above 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 Bondholders 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***

- (a) 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(c)) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 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 Bondholders.
- (b) Subject to receipt by the Agent of the certificate referred to in paragraph (a) above, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 20.
- (c) The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are affected 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 and the Security Agent***

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

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms

and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and

- (ii) confirms, after the entering into of the Intercreditor Agreement (if any), the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

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

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.



- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, in connection with any Bondholders' Meeting or Written Procedure, in connection with any amendment or waiver request under the Finance Documents, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreements 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.
- (i) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (j) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (k) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (l) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 21.2(j).
- (m) The Agent may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

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

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Issuer or the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

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

- (a) Subject to Clause 21.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the CSD Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent and/or the Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent and/or the Security Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

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

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder.

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

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

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

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*)

(or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

- (b) Clause 24(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 21.2(j), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2(l) before a Bondholder may take any action referred to in Clause 24(a).
- (c) The provisions of Clause 24(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **25. Prescription**

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

## **26. Notices and Press Releases**

### **26.1 Notices**

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Finnish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall:
    - (A) if made by the Agent, be sent to the Bondholders via the CSD with a copy to the Issuer. Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD; or
    - (B) if made by the Issuer, be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:

- (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1(a);
  - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **26.2 Press releases**

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Mandatory partial redemption*), 9.5 (*Voluntary partial redemption*), 11.1(d), 14.9(c), 16(o), 17(a), 18(a), 19(c) and 20.5 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 26.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders by notice to the Issuer give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

- (a) None of the Agent, the Security Agent or the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- (b) The Paying Agent shall have no liability to the Bondholders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

## **28. Governing Law and Jurisdiction**

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

**INTERCREDITOR PRINCIPLES**

*The below set out intercreditor principles for the Intercreditor Agreement (as defined in the Terms and Conditions). The following overview does not purport to be complete, and is qualified in its entirety by the final Intercreditor Agreement. Terms defined in the Terms and Conditions shall have the same meaning when used in this schedule.*

**1. Principal Definitions**

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

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

**“Hedging Agreements”** means any agreement documenting a Super Senior Hedge.

**“ICA Group Companies”** means any Group Companies which has acceded to the Intercreditor Agreement as an ICA Group Company in accordance with the terms of the Intercreditor Agreement.

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

**“New Debt”** means Financial Indebtedness which in accordance with the Finance Documents is permitted to rank *pari passu* with the Bonds provided that the creditors (or a representative or agent representing such creditors) under such debt has acceded to the Intercreditor Agreement.

**“New Debt Documents”** means each document or instrument entered into after the date hereof between any Group Company and a New Debt Creditor setting out the terms of any credit which creates or evidences New Debt.

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

**“Representatives”** means the Super Senior Representative and the Senior Representative.

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

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

**“Senior Creditor”** means the Bondholders, the Bonds Agent and any New Debt Creditor.

**“Senior Debt”** means all indebtedness outstanding under the Finance Documents and any New Debt.

**“Senior Finance Documents”** means the Finance Documents, the New Debt Documents, the Super Senior RCF Documents and the Hedging Agreements.

**“Senior Representative”** means, at any time, the representative of, the Senior Creditors.

**“Shareholder Creditor”** means any direct or indirect shareholder of the Issuer in its capacity as creditor in respect of Shareholder Debt which has acceded to the Intercreditor Agreement as a Shareholder Creditor in accordance with the terms of the Intercreditor Agreement.

**“Shareholder Debt”** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer to any Shareholder Creditor, including any dividends and any advisory, monitoring or management fee.

**“Super Senior Creditors”** means the Super Senior RCF Creditors and the Hedge Counterparty.

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

“**Super Senior Hedges**” means hedging transactions entered into by a Group Company in respect of payments to be made under the Bonds or the Super Senior RCF or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes, to the extent the hedging counterparty has acceded to the Intercreditor Agreement (if any).

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

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

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

“**Super Senior Representative**” means, at any time, the representative of the Super Senior RCF Creditor.

## 2. Security

The Security securing the Secured Obligations will be a single security package which will be held pursuant to Swedish and other relevant law and subject to the Intercreditor Agreement, and the Security Agent will be appointed as initial security agent to hold the security on behalf of each of the secured creditor classes.

## 3. Ranking

- (a) The liabilities raised in the form of Super Senior Debt shall rank in right and priority of payment *pari passu* and without any preference between them, unless otherwise agreed between the Super Senior RCF Creditor and the Hedge Counterparties.
- (b) The liabilities raised in the form of Senior Debt shall rank in right and priority of payment *pari passu* and without any preference between them, unless otherwise agreed between the Bonds Agent (acting on behalf of the Bondholders) and any New Creditor.
- (c) The Senior Creditors will receive proceeds with respect to any proceeds from an enforcement of the Transaction Security, payments under any guarantee or proceeds from any other enforcement action only after the Super Senior Creditors have been paid in full.
- (d) Any liabilities in raised in the form of Intercompany Debt or Shareholder Debt shall be subordinated in relation to the Secured Obligations.

## 4. Payment Block

- (a) Following a written notice from the Super Senior Representative to the Issuer (with a copy to the Security Agent, the Bonds Agent and any New Debt Creditor(s)) of (i) acceleration or (ii) that an event of default (for the avoidance of doubt, after the expiry of any applicable grace period in respect of the default giving rise to the event of default) under the Super Senior RCF has occurred (a “**Payment Block Event**”) and for as long as it is continuing, then no payments of principal or interest may be made to the Senior Creditors. For the avoidance of doubt, interest shall continue to accrue during such period and the failure to timely make any payments due under the Senior Debt shall constitute an Event of Default and the unpaid amount shall carry default interest.
- (b) Upon the occurrence of a Payment Block Event, any amounts paid under the Senior Debt (despite the Payment Block Event) shall be applied in accordance with the Application of Proceeds.

## 5. Prepayments

### 5.1 Voluntary Prepayments

Any voluntary prepayments shall be applied in accordance with the Senior Finance Documents and the consent of any other Party shall not be required for that application.

## 5.2 *Prepayment upon Disposals*

If any disposal proceeds are required to be applied in mandatory prepayment of the Super Senior Debt or the Senior Debt then those disposal proceeds shall be applied in accordance with the Senior Finance Documents and the consent of any other Party shall not be required for that application.

## 6. **Cancellation**

To the extent the Issuer repurchases, amortises or otherwise repays the Bonds whereby the aggregate amount of the Senior Debt outstanding (excluding any New Debt) falls a threshold of the aggregate initial amount of Senior Debt as specified by the Super Senior RCF Creditor, the debt outstanding under the Super Senior RCF shall be repaid and cancelled *pro rata* with such repurchase, amortisation or other repayment.

## 7. **Enforcement**

If either the Super Senior Creditors or the Senior Creditors wish to issue instructions for enforcement, the Representative representing the Super Senior Creditors or the Senior Creditors (as the case may be) shall deliver a copy of those proposed enforcement instructions (an “**Initial Enforcement Notice**”) to the Security Agent and the Security Agent shall promptly forward such Initial Enforcement Notice to each Representative which did not deliver such Initial Enforcement Notice.

Following an Initial Enforcement Notice and subject to paragraphs (a), (b) and (c) below, the Security Agent will act in accordance with Enforcement Instructions received from the Senior Creditors.

- (a) If the Senior Creditors have not (i) made a determination as to the method of Enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) within three months of the date of the Initial Enforcement Notice or (ii) the Super Senior Debt has not been discharged in full within six months of the date of the Initial Enforcement Notice, then the Security Agent will act in accordance with enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.
- (b) If an insolvency event (other than an insolvency event directly caused by any enforcement action taken by or at the request or direction of the Senior Creditors) is continuing with respect to a debtor then the Security Agent will, to the extent the Super Senior Creditors elect to provide such enforcement instructions, act in accordance with the enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.
- (c) If the Senior Creditors have not made a determination as to the method of Enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) and the Super Senior Creditors:
  - (i) determine in good faith (and notify the other Representatives, the Hedge Counterparties and the Security Agent) that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to enforce the Transaction Security or the expected enforcement proceeds from an enforcement action; and
  - (ii) deliver enforcement instructions which they reasonably believe to be necessary or advisable before the Security Agent has received any enforcement instructions from the Senior Creditors,

then the Security Agent will act in accordance with the enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.

## 8. **Application**

The proceeds of any enforcement action (including but not limited to any proceeds received from any direct or indirect realisation or sale by the Security Agent of any assets being subject to Transaction Security, payments under any guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings) shall be paid to the Security Agent for application in the following order (subject to applicable mandatory laws):



- (a) *first*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Security Agent;
- (b) *secondly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Issuing Agent and the Representatives;
- (c) *thirdly*, towards payment *pro rata* of accrued interest unpaid under the Super Senior RCF Documents;
- (d) *fourthly*, towards payment *pro rata* of principal under the Super Senior RCF and any other costs or outstanding amounts under the Super Senior RCF Documents, and any close out amount and any other outstanding amounts under the Hedging Obligations;
- (e) *fifthly*, towards payment *pro rata* of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (f) *sixthly*, towards payment *pro rata* of principal under the Senior Debt;
- (g) *seventhly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions and any Senior Finance Documents;
- (h) *eighthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intercompany Debt; and
- (i) *ninthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Shareholder Debt; and
- (j) *tenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant Obligor or other person entitled to it.

## **9. Release of Transaction Security and Guarantees**

- (a) The Security Agent may at any time, acting in its sole discretion, or if in respect of release and granting of Security upon disposals, acting on instructions of the Super Senior Representative, release the Transaction Security and the guarantees in accordance with the terms of the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement in connection with any transaction which is permitted under the Senior Finance Documents or otherwise approved by the Secured Parties.
- (b) The Intercreditor Agreement will enable a release of Transaction Security in connection with disposals for the purpose of:
  - (i) enabling a Group Company to dispose of shares in a Group Company that is subject to Transaction Security provided that Transaction Security is provided over (A) a substitute Group Company or (B) the bank account where the cash purchase price following such disposal is deposited or a vendor note; and
  - (ii) enabling intra-group restructurings, provided that the disposal is made subject to the Transaction Security or, in relation to a merger, that it constitutes a permitted merger under the Senior Finance Documents.

## **10. New Security**

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

**AGREED SECURITY PRINCIPLES**

The Transaction Security, the Guarantees, the Security Documents and the Guarantee and Adherence Agreement shall be subject to the following principles (the “**Agreed Security Principles**”):

- (a) if required or customary under local law, Guarantees and Transaction Security will be limited to the extent required by any such local legal requirements;
- (b) general statutory limitations (e.g. financial assistance, corporate benefit, capitalisation rules and retention of title claims) may limit the ability of the Issuer and each Guarantor to provide Transaction Security and Guarantee or require that such Transaction Security and Guarantee is limited by an amount or otherwise;
- (c) the Issuer and the Guarantors shall not be required to grant Guarantee or enter into Security Documents if it would conflict with the fiduciary duties of their directors or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any officer (as confirmed by a reputable local legal counsel in such jurisdiction);
- (d) any assets subject to pre-existing third-party arrangements which are permitted by the Terms and Conditions and which prevent those assets from being charged, will be excluded from any relevant Security Document, being any asset subject to Security in favour of the Existing Mortgage Debt, the Existing Buisard Vendor Loans and the Buisard Financing;
- (e) Security Documents and the Guarantee and Adherence Agreement shall operate to create security and guarantees rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations or undertakings (including, for the avoidance of doubt, reporting requirements) to those contained in the Terms and Conditions unless required for the creation, perfection or preservation of the Transaction Security or Guarantee and shall not be unduly burdensome on the relevant Group Company or interfere unreasonably with the operation of its business;
- (f) perfection of Transaction Security or granting of Guarantees will not be required if it would materially adversely affect the ability of the Issuer or the relevant Guarantor to conduct its operations or business’ in the ordinary course;
- (g) the Issuer and the Guarantors shall not be under an obligation to grant Transaction Security over any claims pursuant to any cash pool arrangement or over any intra-group loans other than the Material Intragroup Loans;
- (h) the Issuer and the Guarantors shall not be under an obligation to grant Security over any trade receivables;
- (i) the Issuer and the Guarantors shall be permitted to pay interest (until the occurrence of an Event of Default and for as long as it is continuing) but not principal in relation to any Material Intragroup Loans being subject to Transaction Security if required under applicable law to perfect the Transaction Security;
- (j) the Issuer and the Guarantors shall, until the occurrence of an Event of Default and for as long as it is continuing, be permitted to pay and receive dividend in relation to any shares being subject to Transaction Security provided that it is not prohibited by the Terms and Conditions;
- (k) the Issuer and the Guarantors shall not be under an obligation to grant Guarantees or Transaction Security over any assets or mortgages which would impose a stamp duty, taxes, notary fees, translation fees, registration fees or similar costs or charges on any Group Company or the Agent or the Security Agent unless such costs amounts to less than EUR 10,000 (or the equivalent thereof in any other currency) per guarantee and/or asset class;
- (l) the Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if it would be illegal or impossible for such Group Company (as confirmed by a reputable local legal counsel in such jurisdiction);
- (m) the Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if it is not permitted or possible under local law to appoint the Agent or the Security Agent to act as agent on behalf of the bondholders (other than through a parallel debt agreement) or if it is required that each bondholder is specified or identified;

- (n) the Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if there is a requirement for such company or the Agent or the Security Agent to obtain or maintain licenses, permissions, establish a place of business or similar in any jurisdiction for the purpose of granting or holding such Transaction Security or Guarantee (as confirmed by a reputable local legal counsel in such jurisdiction);
- (o) the Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if there is a requirement for such company or its shareholder or the Agent or the Security Agent to deposit cash or capitalise the relevant Guarantor in any jurisdiction for the purpose of granting or holding such Transaction Security or Guarantee (as confirmed by a reputable local legal counsel in such jurisdiction);
- (p) an acknowledgement, countersignature or confirmation on a notice of pledge or similar to be delivered in connection with the granting of Transaction Security or Guarantee by another party than a Group Company shall only be required to be collected and delivered by the relevant Group Company on a best effort basis;
- (q) the delivery and procurement of any documents, evidence, deliverables or similar under a Security Document shall be made as soon as practically possible unless delivery on the date of the relevant Security Document is required to avoid a hardening period which would otherwise not be applicable;
- (r) if a Guarantee or Transaction Security is not possible to grant when ensuring a Group Company the rights included in these Agreed Security Principles, the obligation to grant such Guarantee or Transaction Security shall cease;
- (s) Transaction Security will not be enforceable until an Event of Default has occurred and is continuing; and
- (t) a power of attorney (including, but not limited to, in respect of voting rights appertaining to any shares) granted under any Security Document shall only be exercisable following the occurrence of an Event of Default and for as long as it is continuing and shall only be issued upon request following the occurrence of an Event of Default which is continuing.

The Security Agent shall have a right to consult with a reputable local legal counsel in a relevant jurisdiction (and rely on the instruction of the Super Senior Creditor (if any)) in order to verify and confirm compliance with the Agreed Security Principles in relation to any Transaction Security and/or Guarantee. The costs for such local legal counsel shall be borne or reimbursed by the Issuer and the Security Agent is not required to seek the Issuer's confirmation or approval prior to engaging such local legal counsel.

## CERTAIN INFORMATION ON THE BONDS

Type of the Issue:	Private placement of Bonds, subsequent listing on the corporate bond list of Nasdaq Helsinki.
Ranking of the Bonds:	<p>The Bonds constitute direct and secured obligations of the Issuer ranking <i>pari passu</i> among themselves and at least <i>pari passu</i> with the unsecured obligations of the Issuer, save for obligations which are preferred by mandatory provisions of law.</p> <p>The Issuer may at one or more occasions issue Subsequent Bonds provided, in each case, that the Incurrence Test is met.</p>
Form of the Bonds, depository and settlement system:	Securities in dematerialized, book-entry form issued in the book-entry securities system maintained by Verdipapirsentralen ASA, Norwegian reg. no. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.
Issue Price:	Issue price of 96 per cent. of the Initial Nominal Amount for Bonds issued on the First Issue Date. Any Subsequent Bonds may be issued below, above or at par.
Minimum subscription amount:	EUR 100,000
Denomination of a book-entry unit:	EUR 1,000
Interest on the Bonds:	EURIBOR (three months) plus the fixed margin of 7.00 per cent. <i>per annum</i> .
Yield	<p>For the Bonds issued on the First Issue Date, yield <i>per annum</i> of the Bonds is calculated as follows:</p> $\frac{(1.00 - \text{issue price})}{\text{Tenor}} + \text{EURIBOR (three months)} + \text{margin} = \text{yield}$ <p>As at the First Issue Date, yield <i>per annum</i> of the Bonds was therefore 8.00 per cent. as calculated below:</p> $\frac{(1.00 - 96.00\%)}{5} + 0.20\% + 7.00\% = 8.00\%$ <p>At any time after the First Issue Date, it should be noted that the impact of the discount included in the issue price of 96 per cent. should not be accounted for in calculating the yield <i>per annum</i>, and that the value of EURIBOR (three months) may differ from the above.</p>
Noteholders' Agent and Security Agent:	Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.
Applicable law:	Swedish law.
Interests of the participants of the Offering:	<p>Interests of the Bookrunner: Business interest normal in the financial markets.</p> <p>Interests of the Agent and the Security Agent: Business interest normal in the financial markets.</p>

Estimated total expenses related to the Offering and the Listing:	The estimated total expenses incurred in connection with the Offering and Listing amount in aggregate to approximately EUR 2.1 million.
Estimated net proceeds related to the Offering:	The estimated net amount of proceeds of the Offering amount to approximately EUR 64 million (the total subscribed nominal amount of Bonds being 75 million of which the Issuer subscribed Bonds in the aggregate nominal amount of EUR 6 million)
Estimated time of listing on the corporate bond list of Nasdaq Helsinki:	On or about 25 May 2023.
Listing:	The Bonds are admitted to trading on the Open Market of the Frankfurt Stock Exchange.
Guarantees:	See <i>“Additional Information on the Guarantees, Transaction Security and Intercreditor Principles”</i> .
Transaction Security:	See <i>“Additional Information on the Guarantees, Transaction Security and Intercreditor Principles”</i> .
Intercreditor Principles:	See <i>“Additional Information on the Guarantees, Transaction Security and Intercreditor Principles”</i> .

## **ADDITIONAL INFORMATION ON THE GUARANTEES, TRANSACTION SECURITY AND INTERCREDITOR PRINCIPLES**

*The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Bonds. To the extent there is any discrepancy between the Terms and Conditions of the Bonds and the following description, the Terms and Conditions of the Bonds will prevail. Capitalized terms used have the same meaning as defined in the Terms and Conditions of the Bonds.*

### **Guarantees and Transaction Security**

The Issuer and certain material group companies have granted the Transaction Security and issued Guarantees for the due and punctual fulfilment of the Secured Obligations (i.e. all present and future obligations and liabilities of the Obligors to the Secured Parties under the Finance Documents (i.e. the Terms and Conditions of the Bonds, the Proceeds Account Pledge Agreement, the Security Documents, the Guarantee and Adherence Agreement, the Agency Agreement, the Intercreditor Agreement (if any) and any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document) as well as all present and future obligations and liabilities of the Group Companies to the Secured Parties under the Super Senior RCF (if any) and any other finance document related thereto, any Hedging Agreements and any debt incurred pursuant to item (m)(ii) in the definition of the Permitted Debt in the Terms and Conditions of the Bonds).

### **Guarantors**

As at the date of this Prospectus, the following entities have issued Guarantees under the Guarantee and Adherence Agreement (together the “**Guarantors**”):

- the Issuer;
- Fortaco Group Oy (business ID 2083946-0);
- Fortaco Ostrobothnia Oy (business ID 2507338-8);
- Fortaco Oy (business ID 1770554-1);
- Fortaco Sp. z o.o. (Polish reg. no. 0000387337 ); and
- Fortaco Estonia OÜ (Estonian reg. no. 12214574).

### **Transaction Security**

As at the date of this Prospectus, the Transaction Security consists of:

- A Finnish law governed pledge by OEP 81 B.V. over 100 per cent. of shares in the Issuer;
- A Finnish law governed pledge by the Issuer over 100 per cent. of shares in Fortaco Group Oy;
- a Finnish law governed pledge by Fortaco Group Oy over 100 per cent. of shares in (i) Fortaco Oy and (ii) Fortaco Ostrobothnia Oy, and business mortgages and real property mortgages;
- a Polish law governed pledge by Fortaco Oy over 100 per cent. of shares in Fortaco Sp. z o. o.;
- a Polish law governed pledge by Fortaco Oy over 99.35 per cent. of shares in Fortaco JL Sp. z o. o.;
- an Estonian law governed pledge by Fortaco Oy over 100 per cent. of shares in Fortaco Estonia OÜ;
- a Norwegian law governed pledge by the Issuer over an Acquisition Account (as defined in the Terms and Conditions of the Bonds);
- a Finnish law governed pledge by Fortaco Oy over business mortgages and real property mortgages;
- a Finnish law governed pledge by Fortaco Ostrobothnia Oy over business mortgages;
- a Polish law governed pledge by Fortaco Sp. z o. o. over business mortgages; and
- an Estonian law governed pledge by Fortaco Estonia OÜ over business mortgage,

as well as security over certain material intra-group loan receivables.

The Guarantees and the Transaction Security have been granted subject to certain specific limitations set out in the Guarantee and Adherence Agreement and the Security Documents, as applicable, as well as certain limitation imposed by local law requirements in certain jurisdictions.

In accordance with the Terms and Conditions of the Bonds and the Intercreditor Principles, the Issuer shall procure that each Material Group Company shall be a Guarantor and that any further Subsidiary so designated by the Issuer shall accede to the Guarantee and Adherence Agreement as a Guarantor and, if entered into, to the Intercreditor

Agreement as an ICA Company. Furthermore, subject to any legal restrictions on granting of Security and/or guarantees, the Issuer shall procure that the Group Companies provide additional Security for the obligations under the Finance Documents in the form of shares in any new Material Group Companies and the Material Group Companies provide security in the form of pledge over any existing mortgages issued in real property and existing mortgages or floating charged issued in the business of such Material Group Company. The Issuer shall procure that Security is granted over any of its intra-Group loans amount of which equals to or exceeds EUR 1,000,000 (or its equivalent in other currencies) and term of which is at least 12 months.

The Transaction Security and the Guarantees are shared among the Bondholders, the Agent (including in its capacity as Agent under the Agency Agreement), the lender under the Super Senior RCF (if any) or any subsequent Super Senior RCF, each hedging counterparty under the Hedging Agreements (if any), creditors under any New Debt and the Security Agent. The relative rights of the Secured Parties are described in more detail below under the section “*Intercreditor Principles*”.

The Terms and Conditions and the Intercreditor Principles provide that the Security Agent shall in certain circumstances take actions necessary to release the Guarantees and Transaction Security. For the avoidance of doubt, any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the Secured Parties of the remaining Transaction Security and Guarantees and/or the ranking and priority of the Secured Parties as specified in the Intercreditor Principles.

### **Intercreditor Agreement**

Pursuant to the Terms and Conditions of the Bonds, in case the Issuer or any other member of the Group would enter into a Super Senior RCF, an Intercreditor Agreement shall be entered into. The terms of any Intercreditor Agreement shall be based on the Intercreditor Principles taken as schedule 1 to the Terms and Conditions of the Bonds. In accordance with the Intercreditor Principles, the Intercreditor Agreement shall regulate the relationship between the following parties:

- the Issuer, the Guarantors and intra-Group debtors;
- the Security Agent (on behalf of the Secured Parties);
- the Agent (on behalf of the Bondholders);
- the lender under the Super Senior RCF;
- the hedge counterparty under the Hedging Agreement; and
- providers of any debt incurred pursuant to item (m)(ii) in the definition of Permitted Debt in the Terms and Conditions.

The Intercreditor Agreement (if any) will be binding on the Bondholders via the Agent entering into the agreement on behalf of the Bondholders, and certain rights of the Bondholders will then be subject to the terms of the Intercreditor Agreement. The material terms of the Intercreditor Agreement, if entered into, are described below.

### **Ranking and Priority**

Pursuant to the Intercreditor Principles, the Debt owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall rank in all respects in the following order:

- (i) **first**, liabilities raised in the form of Super Senior Debt shall rank in right and priority of payment *pari passu* and without any preference between them, unless otherwise agreed between the Super Senior RCF Creditor and the Hedge Counterparties;
- (ii) **secondly**, liabilities raised in the form of Senior Debt shall rank in right and priority of payment *pari passu* and without any preference between them, unless otherwise agreed between the Agent (acting on behalf of the Bondholders) and any New Creditor; and
- (iii) **thirdly**, any liabilities raised in the form of Intercompany Debt or Shareholder Debt shall be subordinated in relation to the Secured Obligations.

The Intercompany Debt and the Shareholder Debt shall be subordinated in accordance with the Subordination Agreement or the Intercreditor Agreement, as applicable.

### **Order of Application**

Pursuant to the Intercreditor Principles, any amounts received by the Security Agent following an insolvency event, an acceleration event and/or as a result of the enforcement of the Transaction Security or payments under any Guarantees will be applied in the following order:

- (i) **firstly**, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Security Agent (or its delegate);
- (ii) **secondly**, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Issuing Agent and the Representatives;
- (iii) **thirdly**, towards payment *pro rata* of accrued interest unpaid under the Super Senior RCF Documents;
- (iv) **fourthly**, towards payment *pro rata* of principal under the Super Senior RCF and any other costs or outstanding amount under the Super Senior RCF Documents, and any close out amount and any other outstanding amounts under the Hedging Obligations;
- (v) **fifthly**, towards payment *pro rata* of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (vi) **sixthly**, towards payment *pro rata* of principal under the Senior Debt;
- (vii) **seventhly**, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions and any Senior Finance Documents;
- (viii) **eighthly**, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intercompany Debt;
- (ix) **ninthly**, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Shareholder Debt; and
- (x) **tenthly**, after the Final Discharge Date, in payment of the surplus (if any) to the relevant Obligor or other person entitled to it.

As a consequence of the order of application set out above, the Bondholders will in certain situations, for example in case of an enforcement of Transaction Security or Guarantees, receive payment only after certain fees and costs as well as accrued interest and principal under the Super Senior RCF or the Hedging Agreement or payable to the super senior creditors under the Intercreditor Agreement and the Security Documents have been repaid in full.

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

### ***Enforcement and Consultation***

Each of the Super Senior Creditors and the Senior Creditors may, under certain circumstances, propose enforcement actions to be taken by the Security Agent by the delivery of a copy of the proposed enforcement instructions to the Security Agent. The Security Agent will act in accordance with the enforcement instructions received from the Senior Creditors unless (i) the Senior Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue within three months of the date of the enforcement notice or (ii) the Super Senior Debt has not been discharged in full within six months of the date of such notice, in which case the Security Agent will act in accordance with enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.

If an insolvency event is continuing then the Security Agent will, to the extent the Super Senior Creditors elect to provide such enforcement instructions, act in accordance with the enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.

Further, if the Senior Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue and the Super Senior Creditors: (i) determine in good faith that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to enforce the Transaction Security or the expected enforcement proceeds from an enforcement action; and (ii) deliver enforcement instructions which they reasonably believe to be necessary or advisable before the Security Agent has received any enforcement instructions from the Senior Creditors, then the Security Agent will act in accordance with the enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.

### ***Payment Block***



Pursuant to the Intercreditor Principles, during certain major events of default under the Super Senior RCF (if any), no payments of principal or interest in respect of the Senior Debt shall be made (notwithstanding any other provisions to the contrary in the Terms and Conditions or the Intercreditor Agreement). However, in respect of amounts under the Bonds, interest shall continue to accrue during such period and the failure to timely make any payments due under the Senior Debt shall constitute an Event of Default and the unpaid amount shall carry default interest.

### ***Turnover***

The Intercreditor Agreement may include customary provisions for turnover of funds in the event of any creditor receiving payment in conflict with the Intercreditor Principles. The order of application described above shall apply regardless of any Transaction Security or Guarantees not being (for whatever reason) valid or enforceable in respect of the relevant secured creditor.

Pursuant to the Intercreditor Principles, upon the occurrence of a Payment Block Event, any amounts paid under the Senior Debt (despite the Payment Block Event) shall be applied in accordance with the order of application described above.

### ***Payments under Subordinated Debt***

The Intercreditor Agreement may include customary provisions to the effect that, although the indebtedness owed under certain intercompany loans are subordinated to the Bonds, the relevant debtor may in certain circumstances make payments under such debt. The payment of principal and interest on intercompany loans shall, nevertheless, always be permitted if made for the purpose of serving debt to the Secured Parties and such payment is made directly to the Secured Parties (represented by the Security Agent) for repayment of principal or payment of interest on such debt owed to the Secured Parties.

### ***Replacement of Super Senior RCF***

The Intercreditor Agreement may include customary provisions to the effect that the Issuer is, from time to time and subject to certain conditions, entitled to replace the Super Senior RCF in full or in part with new debt facilities for working capital and general corporate purposes. The conditions for replacement of the Super Senior RCF are expected to include, *inter alia*, that the Transaction Security shall secure the revolving credit facility debt on same terms as the existing debt and the new revolving credit facility providers shall accede and adhere to the principles set out in the Intercreditor Agreement.

### ***Release of Transaction Security and Guarantees***

Pursuant to the Intercreditor Principles, the Intercreditor Agreement shall provide provisions according to which the Security Agent may at any time, acting in its sole discretion, or if in respect of release and granting of Security upon disposals, acting on instructions of the Super Senior Representative, release the Transaction Security and the guarantees in accordance with the terms of the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement in connection with any transaction which is permitted under the Senior Finance Documents or otherwise approved by the Secured Parties.

Further, the Intercreditor Agreement shall enable a release of Transaction Security in connection with disposals for the purpose of: (i) enabling a Group Company to dispose of shares in a Group Company that is subject to Transaction Security provided that Transaction Security is provided over (A) a substitute Group Company or (B) the bank account where the cash purchase price following such disposal is deposited or a vendor note; and (ii) enabling intra-group restructurings, provided that the disposal is made subject to the Transaction Security or, in relation to a merger, that it constitutes a permitted merger under the Senior Finance Documents.

The Intercreditor Agreement may include customary provisions to the effect that the Security Agent may from time to time amend, vary and/or restate the Transaction Security and Guarantees, on behalf of itself and the Secured Parties in accordance with the terms of the Intercreditor Agreement.

### ***Security Agent***

Pursuant to the Terms and Conditions of the Bonds, the Bondholders have appointed the Security Agent to hold and to act as its agent and representative with respect to the Transaction Security and the Guarantees and, in case

the Intercreditor Agreement is entered into, the Secured Parties shall appoint the Security Agent to hold and to act as its agent and representative with respect to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement.

The existing Security Agent may resign and a new Security Agent may be appointed in accordance with the procedures set out in the Terms and Conditions of the Bonds and/or Intercreditor Agreement (as applicable).

### Entities Providing the Guarantees and Transaction Security

The Guarantors are detailed in table below and the entities which have either issued Guarantees or provided Transaction Security or both are detailed in the subsections below. The financial information presented of the companies in question, is derived from separate audited financial statements of each entity in question for the financial years ended 31 December 2021 and 31 December 2022, as applicable, in accordance with the applicable local generally accepted accounting principles, except for the net debt figure of each entity which are unaudited and the cash flow figures of Fortaco Group Oy and Fortaco Oy in the table below which are based on the audited profit and loss statement and balance sheet figures for the financial year 2022 from which the consolidation program calculates the unaudited cash flow figures. The table below is presented in EUR thousands<sup>10</sup>.

Guarantor (LEI)	Country, reg.no.	Revenue	Operating profit	Net debt <sup>11</sup>	Net cash from operating activities	Net cash used in financing activities	Net cash used in investing activities
Issuer (743700AX3TIW VL1LC349)	Finland, 3281147-3	0	-69.8	49,382.5	-3,709.3	77,147.8	-63,883.6
Fortaco Group Oy (743700RT1GS13 GE8XA81 (LEI passive))	Finland, 2083946-0	0	-638.5	84,509.3	-4,082.9	19,337.1	-10,832.1
Fortaco Ostrobothnia Oy (N/A)	Finland, 2507338-8	76,093.9	4,226.6	-17,328.2	997.3	0	-997.3
Fortaco Oy (743700IOIVESJ K9E6D80)	Finland, 1770554-1	14,213.8	-2,024.2	26,758.3	-2,854.2	1,953.6	900.6
Fortaco Sp. z o.o. (N/A)	Poland, 0000387337	69,732.7	1,596.5	-3,067.9	2,211.5	82.5	-1,653.4
Fortaco Estonia OÜ (N/A)	Estonia, 12214574	74,035.1	4,574.3	1,526.2	2,152.5	-1,367.0	-2,239.8

The principal risk factors that may affect the ability of the entities which have either issued Guarantees or provided Transaction Security or both to fulfil their obligations towards the holders of the Bonds are discussed under “*Risk Factors*” above. The entities, other than the Issuer, are direct or indirect subsidiaries of the Issuer.

### OEP 81 B.V.

A description of OEP 81 B.V. is presented under section “*Controlling Shareholder*”.

As at the date of this Prospectus, the Board of Directors of OEP 81 B.V. consists of the following persons: Marc Lindhorst, Robert Harmzen and Sander Harmzen. At the date of this Prospectus, the paid-in share capital of OEP 81 B.V. is EUR 174,300 and it comprises 1,245,000 shares and 4,980,000 non-voting cumulative pref shares. As at 31 December 2022, OEP 81 B.V.’s total assets were EUR 62.2 million, total equity was EUR 62.2 million and net amount of cash and interest-bearing debt was a liability of EUR 0.2 million. As OEP 81 B.V. is a holding company, it did not have any material sales for the financial year ended 31 December 2022.

<sup>10</sup> Figures of Fortaco Sp. z o.o. have been converted from Polish Zloty (PLN) to euros.

<sup>11</sup> Net debt calculated as net amount of bank loans, capital loans, acquisitions debts, earn out debt, cash pool debt, intra-group loans (excluding capital loans), cash and cash equivalents, cash pool receivables, and pledged cash and cash equivalents.

## ***The Issuer***

A description of Fortaco Group Holdco Oy is presented under sections “*Business of the Group*” and “*Board of Directors, Management and Auditors*”.

### ***Fortaco Group Oy***

Fortaco Group Oy (established 15 December 2006, business identity code 2083946-0) is a limited liability company established under Finnish law with its domicile in Vantaa. According to its articles of association, the company’s field of activity is to operate as the parent company of the group the company belongs to and take care of the group’s common management related to the group’s administration and financing, and to produce related services. For its operations, the company owns companies or partnerships conducting business, in Finland and abroad, mainly within manufacturing and trade of subcontracted products and products in the metal industry, as well as operations related to, supporting, or serving such operations. The company’s field of activity also includes buying, selling, or managing real estate or securities.

As at the date of this Prospectus, the sole member of the Board of Directors of Fortaco Group Oy is Lars Hellberg. The sole deputy member is Kimmo Raunio. The CEO of Fortaco Group Oy is Lars Hellberg. The auditor of Fortaco Group Oy is Ernst & Young Oy with Anders Svernas, Authorised Public Accountant, as the principal auditor. At the date of this Prospectus, the paid-in share capital of Fortaco Group Oy is EUR 141,711 and it comprises 535,096,200 shares.

As at 31 December 2021, Fortaco Group Oy’s total assets were EUR 188 million, total equity was EUR 100 million and net amount of cash and interest-bearing debt was a liability of EUR 70 million. As at 31 December 2022, Fortaco Group Oy’s total assets were EUR 200 million, total equity was EUR 87 million and net amount of cash and interest-bearing debt was a liability of EUR 85 million. As the company is a holding company, it did not have any material sales for the financial years ended 31 December 2021 and 31 December 2022.

### ***Fortaco Ostrobothnia Oy***

Fortaco Ostrobothnia Oy (established 24 October 2012, business identity code 2507338-8) is a limited liability company established under Finnish law with its domicile in Vantaa. According to its articles of association, the company’s field of activity is to manufacture, sale and market components, systems, turnkeys, subcontracted products and products as well as related export and import and conducting mechanical engineering business and other activities related to the aforementioned operations in the metal and mechanical engineering industries.

As at the date of this Prospectus, the Board of Directors of Fortaco Ostrobothnia Oy consists of the following persons: Lars Hellberg and Kimmo Raunio. The CEO of Fortaco Ostrobothnia Oy is Kimmo Raunio. The auditor of Fortaco Ostrobothnia Oy is Ernst & Young Oy with Anders Svernas, Authorised Public Accountant, as the principal auditor. At the date of this Prospectus, the paid-in share capital of Fortaco Ostrobothnia Oy is EUR 2,500 and it comprises 2,500 shares.

As at 31 December 2021, Fortaco Ostrobothnia Oy’s total assets were EUR 28 million, total equity was EUR 11 million (contains EUR 30 million capital loans from group companies) and net amount of cash and interest-bearing debt was an asset of EUR 10 million. For the year ended 31 December 2021, revenue of Fortaco Ostrobothnia Oy was EUR 62 million. As at 31 December 2022, Fortaco Ostrobothnia Oy’s total assets were EUR 37 million, total equity was EUR 15 million (contains EUR 30 million capital loans from group companies) and net amount of cash and interest-bearing debt was an asset of EUR 17 million. For the year ended 31 December 2022, revenue of Fortaco Ostrobothnia Oy was EUR 76 million.

### ***Fortaco Oy***

Fortaco Oy (established 18 June 2002, business identity code 1770554-1) is a limited liability company established under Finnish law with its domicile in Vantaa. According to its articles of association, the company’s field of activity is to manufacture, sale and market subcontracted products and products of the metal industry, as well as related export and import and other related operations.

As at the date of this Prospectus, the Board of Directors of Fortaco Oy consists of the following persons: Lars Hellberg and Kimmo Raunio. The CEO of Fortaco Oy is Lars Hellberg. The auditor of Fortaco Oy is Ernst &

Young Oy with Anders Svennas, Authorised Public Accountant, as the principal auditor. At the date of this Prospectus, the paid-in share capital of Fortaco Oy is EUR 100,000 and it comprises 2,500,000 shares.

As at 31 December 2021, Fortaco Oy's total assets were EUR 35 million, total equity was EUR 4 million (contains EUR 39 million capital loans) and net amount of cash and interest-bearing debt was a liability of EUR 26 million. For the year ended 31 December 2021, revenue of Fortaco Oy was EUR 10 million. As at 31 December 2022, Fortaco Oy's total assets were EUR 34 million, total equity was EUR 2 million (contains EUR 39 million capital loans) and net amount of cash and interest-bearing debt was a liability of EUR 27 million. For the year ended 31 December 2022, revenue of Fortaco Oy was EUR 14 million.

#### ***Fortaco Sp. z o. o.***

Fortaco Sp. z o. o. (established 26 November 2011, entered into the register of entrepreneurs of the National Court Register maintained by the District Court of Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register under the KRS number 0000387337, REGON 142897201, NIP 5252504168) is a limited liability company established under Polish law with its domicile in Wrocław, Poland. According to its articles of association, the company's field of activity is Production of steel structures.

As at the date of this Prospectus, the Board of Directors of Fortaco Sp. z o. o. consists of the following persons: Kimmo Raunio and Lars Hellberg. The auditor of Fortaco Sp. z o. o. is Kancelaria Biegłych Rewidentów BURNOS Audit Sp. z o.o with Krzysztof Burnos as the principal auditor. At the date of this Prospectus, the paid-in share capital of Fortaco Sp. z o. o. is PLN 29,430,800.00 and it comprises 588,616 shares.

As at 31 December 2021, Fortaco Sp. z o. o.'s total assets were EUR 18 million, total equity was EUR 7 million and net amount of cash and interest-bearing debt was an asset of EUR 3 million. For the year ended 31 December 2021, sales of Fortaco Sp. z o. o. were EUR 41 million. As at 31 December 2022, Fortaco Sp. z o. o.'s total assets were EUR 23 million, total equity was EUR 8 million and net amount of cash and interest-bearing debt was an asset of EUR 3 million. For the year ended 31 December 2022, sales of Fortaco Sp. z o. o. were EUR 70 million.<sup>12</sup>

#### ***Fortaco Estonia OÜ***

Fortaco Estonia OÜ (established 6 January 2012, Estonian registry code 12214574) is a limited liability company established under Estonian law with its domicile in Narva, Estonia. According to its articles of association, the company's field of activity is manufacturing of other metal structures and parts of structures.

As at the date of this Prospectus, the Board of Directors of Fortaco Estonia OÜ consists of the following persons: Lars Hellberg, Kimmo Raunio and Larissa Šabunova. The CEO of Fortaco Estonia OÜ is Larissa Šabunova. The auditor of Fortaco Estonia OÜ is Ernst & Young Baltic AS with Olesia Abramova as the principal auditor. At the date of this Prospectus, the paid-in share capital of Fortaco Estonia OÜ is EUR 5,500.00 and it comprises 1 share.

As at 31 December 2021, Fortaco Estonia OÜ's total assets were EUR 27 million, total equity was EUR 13 million and net amount of cash and interest-bearing debt was a liability of EUR 0.8 million. For the year ended 31 December 2021, sales of Fortaco Estonia OÜ were EUR 53 million. As at 31 December 2022, Fortaco Estonia OÜ's total assets were EUR 31 million, total equity was EUR 18 million and net amount of cash and interest-bearing debt was a liability of EUR 1.5 million. For the year ended 31 December 2022, sales of Fortaco Estonia OÜ were EUR 74 million.

#### **Absence of Conflict of Interest**

The members of the Board of Directors, the CEO's or the managing directors, if any, of the entities providing Guarantees and/or Transaction Security do not have any conflict of interest between their duties relating to the Issuer and/or their other duties.

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<sup>12</sup> Figures have been converted from Polish Zloty (PLN) to euros.

## BUSINESS OF THE GROUP

### Overview

The Issuer, Fortaco Group Holdco Oyj, is a Finnish public liability company established on 12 April 2022 (registered on 26 April 2022) for the purpose of acquiring 100 per cent. of shares in Fortaco Group Oy and thus acquiring control over Fortaco Group Oy and its subsidiaries (“**Fortaco Group**”).

Fortaco Group, headquartered in Vantaa, Finland, is a brand-independent strategic partner to original equipment manufacturers (“**OEM**”), operating in the heavy-off highway equipment and marine industries. Fortaco’s offering includes vehicle cabins, steel fabrications, assemblies, and technology services as well as zero-emission solutions with the main focus areas on fossil-free steel applications, lightweight structures, circular economy, and e-mobility. Fortaco Group’s complete value chain solutions include research & development, project management, engineering, prototyping, manufacturing, surface treatment, testing, sourcing, dispatch, and aftermarket solutions. Fortaco Group partners with customers’ development teams regarding product design and R&D making Fortaco a Tier 0.5 partner.

Fortaco Group has a business site in seven European countries and a joint venture in Pune, India. In addition, Fortaco has four technology hubs which locate in Finland, France, Poland and Slovakia. As of 31 December 2022, the number of personnel of the Group was 2,124 globally.

Fortaco Group’s strategy is to be a leading strategic partner to the heavy off-highway equipment and marine industry OEMs providing premium, wide-spanning, and competitive offerings. Fortaco has an integrated offering of assemblies, vehicle cabins, and steel-fabricated components as well as technology services and zero-emission solutions. Fortaco creates value add for customers by reshaping the way things are produced. Fortaco Group’s mission is to provide complete value-chain solutions to global customers. Fortaco’s vision is to be the leading brand-independent Tier 0.5 partner offering complete value chain solutions from design and manufacturing to aftermarket services. Fortaco has a mindset of continuous improvement, and a strategic operational target of ‘Make Tomorrow Safer and Better’. Fortaco is dedicated to operational excellence, the automotive industry being a role model. Fortaco Group’s three values are Respect, Simplicity and Speed.

As at 31 December 2022, Fortaco’s total assets were EUR 230 million and total equity was 56 million and the net amount of cash and interest-bearing debt was a liability of EUR 51.9 million. For the financial year ended 31 December 2022, sales of Fortaco totaled to EUR 95 million. As a comparative figure, for the financial year ended 31 December 2022, sales of Fortaco Group totaled to EUR 332 million.

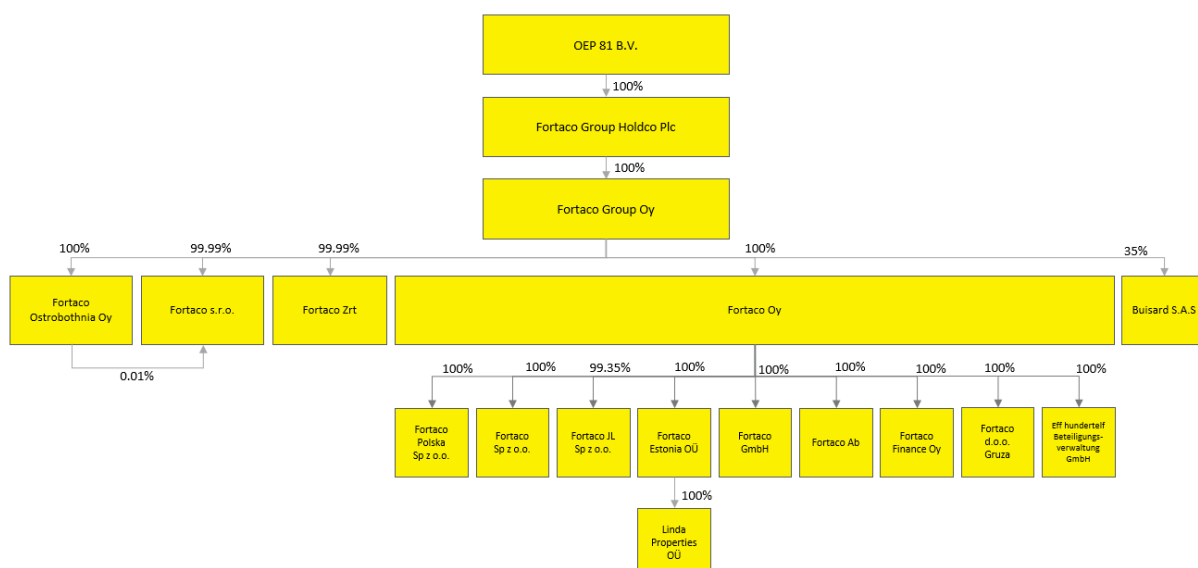
### History

Fortaco Group was established in December 2012, when Komatsu Group and essential parts of Rautaruukki’s Engineering (Ruukki Engineering) business merged to become, according to Fortaco’s management, one of Europe’s leading manufacturing partners, Fortaco. CapMan, a Nordic private assets management and investment company, played an instrumental role in the merger. Komatsu Group was established in 2002. It has roots to State Rifle Factory in Jyväskylä, Finland, founded in 1920. Komatsu was rapidly expanding through the series of acquisitions in Finland, Poland and Estonia. Ruukki Engineering was a division in Rautaruukki Corporation, which subsequently has been merged with Swedish SSAB. In September 2022, the Issuer acquired 100 per cent. of the shares in Fortaco Group Oy from funds managed by CapMan Capital Management Oy. The acquisition was financed with a combination of an equity commitment from OEP, the Bonds, and other debt financing which was rolled over to the new structure.

### Group Structure

The Group includes, besides the Issuer, Fortaco Group Oy, Fortaco Ostrobothnia Oy, Fortaco Oy and Fortaco Finance Oy in Finland, Fortaco s.r.o. in Slovakia, Fortaco Zrt. in Hungary, Fortaco Sp. z o. o., Fortaco JL Sp. z o. o. and Fortaco Polska Sp z o.o. in Poland, Fortaco Estonia OÜ and Linda Properties OÜ (real estate company) in Estonia, Fortaco GmbH (sales office) in Germany, Fortaco AB (sales office) in Sweden, Fortaco d.o.o. Gruza in Serbia, and Eff hundertelf Beteiligungsverwaltung GmbH in Austria. Furthermore, Fortaco Group Oy owns a minority stake in Buisard (France).

The figure below sets out the legal structure of the Group as at the date of this Prospectus.

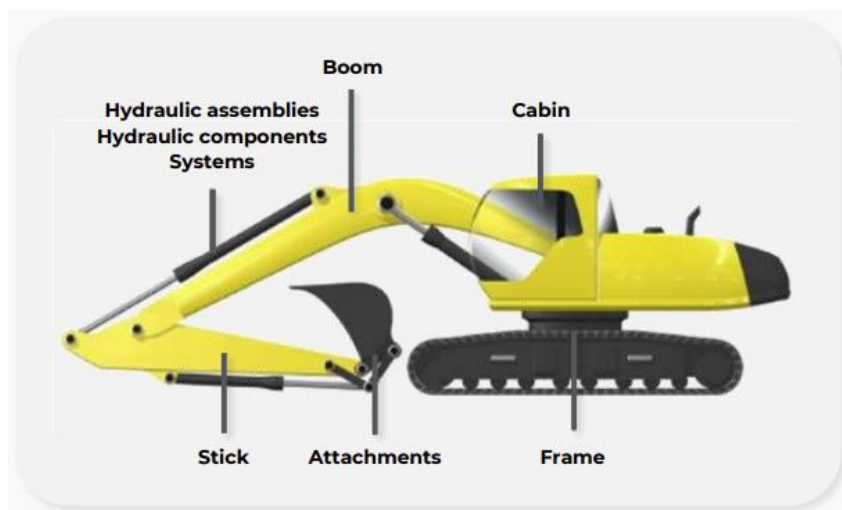


The Issuer is a holding company of Fortaco Group and, as the date of this Prospectus, employs 14 persons. The Issuer provides administrative services to the Fortaco Group companies, in addition to which it has no other operative business. Therefore, the Issuer is dependent on other Fortaco Group companies' financial and operating performance and upon receipt of sufficient income related to the operation of and the ownership in such entities.

## Business Operations

### Overview

Fortaco Group has a versatile offering including vehicle cabins, steel fabrications, assemblies and technology as well as zero emission solutions. Fortaco serves customers across a variety of industrial sectors, like agriculture, construction, container handling, deck machinery, defense, forestry, marine, material handling, and mining. The below picture demonstrates Fortaco's scope of items, an excavator as an example.



Fortaco is providing premium, wide-spanning and competitive offering to the heavy off-highway equipment and marine industries. Fortaco's full-service, life-cycle offering is summarized in the table below.

CONCEPT	DESIGN	DEVELOPMENT & IMPLEMENTATION	PRODUCT LIFETIME CARE
<ul style="list-style-type: none"> <li>Research on new materials and manufacturing methods</li> <li>Cross-industry projects</li> </ul>	<ul style="list-style-type: none"> <li>Design for assemblies and components</li> <li>Optimization using big data</li> </ul>	<ul style="list-style-type: none"> <li>New product implementation (NPI) and new product development (NPD)</li> <li>Design-to-manufacturing advisory</li> <li>Virtual simulation of product line</li> </ul>	<ul style="list-style-type: none"> <li>Technical cost-down projects</li> <li>Product facelifts</li> <li>Product phase-out</li> </ul>

### ***Business Offerings<sup>13</sup>***

#### *Steel Fabrication*

Fortaco's Steel Fabrication offering covers the manufacturing of steel components, complete frames and other types of steel structures. Fortaco's steel fabrication value chain includes in-house prefabrication, welding, machining, surface treatment, pre-assembly, project management, quality control and testing. In addition, surface preparation and corrosion protection are being offered by various technologies like E-coating, wet painting, powder painting, and thermal spray processing. Through the steel fabrication offering, Fortaco Group operates as a genuine manufacturing partner from design to delivery, which enables customers to focus on their core business, product design, and manufacturability. The Group is also addressing sustainability issues together with the customers, and as an example of Fortaco Go Green initiatives, we have manufactured a customer product with 100 per cent. fossil free steel. Steel Fabrication offering accounted for 66 per cent. of the net sales of Fortaco Group in 2021 and 68 per cent. in 2022<sup>14</sup>.

#### *Vehicle Cabin*

Fortaco supports customers in creating optimal cabin solutions. Vehicle Cabin offering includes completely assembled plug-and-play vehicle cabins, high-volume operator cabins, and cabins for agricultural applications. Vehicle Cabin services include product development and new product implementation with design concepts, engineered solutions, industrialization, and customized manufacturing services. Fortaco provides serial manufacturing with a flexible assembly content. In 2021, Vehicle Cabin offering accounted for 28 per cent. of net sales of Fortaco Group and 25 per cent. in 2022<sup>15</sup>.

Fortaco supports customers in various stages of the product life-cycle. Cabin Technology unit provides complete project handling, turn-key solutions from design to manufacturing, and product lifetime care. Manufacturing technology services include new technology R&D, advanced robot features, design to manufacturing and production design. Technology offerings accounted for 0.5 per cent of the net sales of Fortaco Group in 2021 and 0.6 per cent in 2022<sup>16</sup>.

#### *Assembly*

Fortaco Assembly offers complete vehicle assemblies and module assemblies. Tailor-made supply chain solutions, alternative sourcing and outsourcing solutions for assembly operations are included in the assembly offering. In addition, Fortaco offers lifetime service and after-sales service for spare parts. Assembly offering accounted for 6 per cent. of net sales of Fortaco Group in 2021 and 2022<sup>17</sup>.

#### *Zero Emission Solutions*

Fortaco is active with the green environmental transformation, and one of the strategic targets is to transform the off-highway equipment industry into emission free. To prioritize and focus on this transition, Fortaco's

<sup>13</sup> All figures in this section exclude the impact of the minority stake in Buisard.

<sup>14</sup> Figures are unaudited.

<sup>15</sup> Figures are unaudited.

<sup>16</sup> Figures are unaudited.

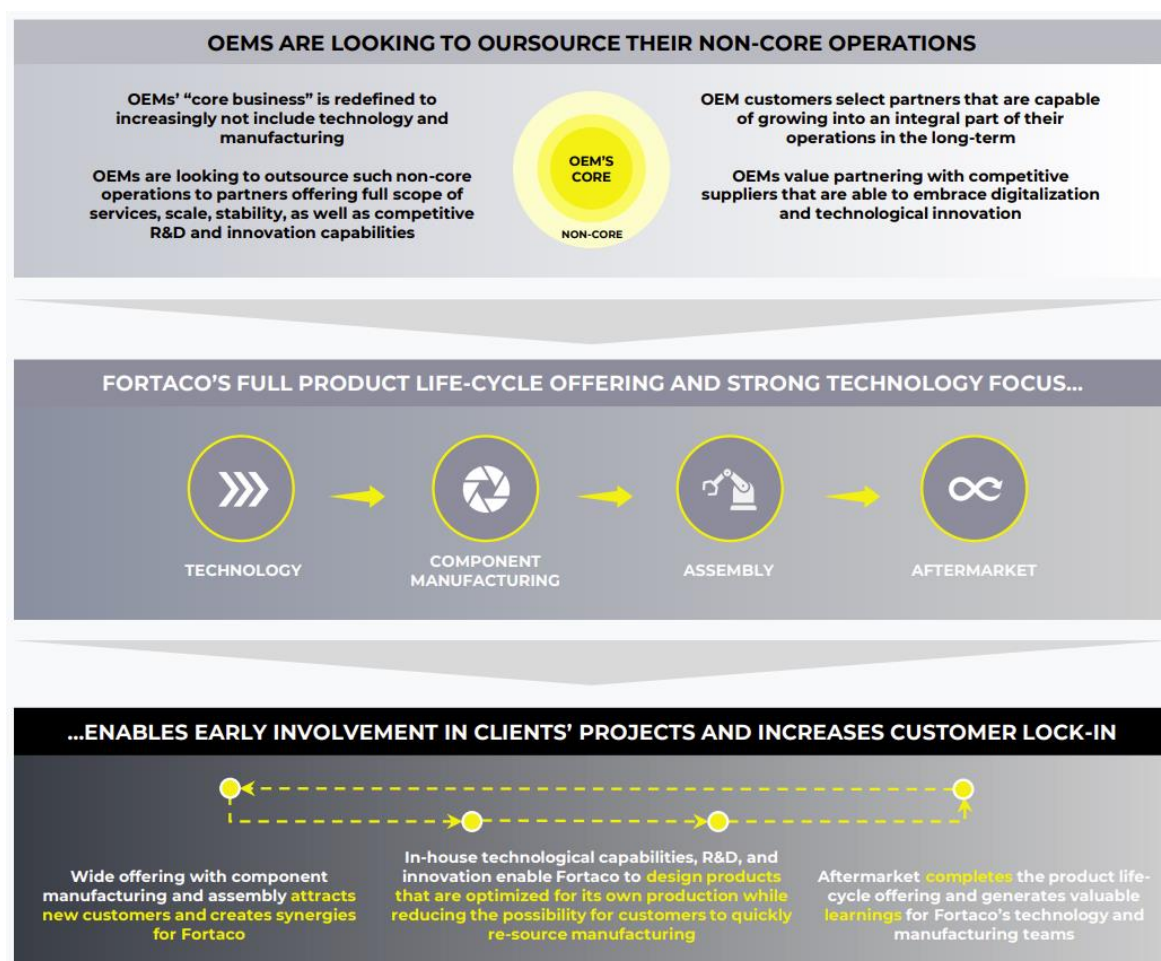
<sup>17</sup> Figures are unaudited.

Technology unit has been transformed into Zero Emission Solutions to highlight this strategic direction and develop future business offerings. The main focus areas are fossil-free steel applications, lightweight structures, circular economy, and e-mobility. Development of technologies is a focus area for Zero Emission Solutions, the main three areas being: **SystemTech**: research and development of new systems related to operator cabins and thermal management. **ManuTech**: research and development of new production technologies as well as design of highly efficient production lines. **SteelTech**: research and development with a focus on lightweight structures.

Also, Zero Emission Solutions explores newly emerging business areas related to the electrification of off-highway equipment industry. Fortaco considers the transformation of off-highway equipment industry into emission free as one of its key future targets.

### **Business Rationale**

The figure below presents Fortaco Group's business rationale as a process, basing on OEMs outsourcing, which is driven by cost advantages of outsourcing resulting from, e.g., lower overhead costs and hourly cost base, specialized R&D and manufacturing, qualified sourcing teams providing cost advantages in component sourcing, optimized KPIs (e.g., return on capital employed), reduced (semi) fixed cost base, and increasing flexibility.<sup>18</sup>



### **Flexibility Approach and Pricing**

According to Fortaco's management, Fortaco Group has a highly structured and lean performance management system and internal processes in place which enable high visibility on business performance and ensure efficient management and ability to take necessary actions proactively. As an example, during Covid-19 pandemic driven

<sup>18</sup> Sources for the figure: Oliver Wyman and Fortaco's management.



short-term market dip in 2020, Fortaco Group was able to defend its margins due to swift and fact-based cost reduction actions applied on the flexible cost structure of Fortaco Group.

Fortaco Group employs a value-based pricing methodology and significant efforts have been dedicated to secure the proper pricing of the products and services. In Fortaco Group's business, prices are agreed in customer contracts, which entails limited spot business. Further, according to Fortaco's management, the change from a cost-based pricing to value-based pricing increases margins of Fortaco Group's premium offering. In addition, Fortaco Group applies widely Steel Price Adjustment Mechanism based on MEPS index development. The contractual price adjustment mechanism provides Fortaco Group a right to change customer prices based on fluctuations in steel prices, typically on a quarterly basis. MEPS covers approximately 90 per cent. of Steel Fabrication customers, for which steel is the major component of the product and, according to Fortaco's management, it enables keeping absolute profitability stable and predictable and therefore potentially protecting Fortaco Group from steel price fluctuations.

According to Fortaco's management, Fortaco Group has a good pricing power as its customers have limited capabilities to shift production in the short-term. Moreover, Fortaco Group's customers have historically generally accepted price increases if the increases have been reasonable and fact-based. Furthermore, Fortaco Group is able to achieve premium pricing based on its premium KPI performance: Safety, quality, delivery accuracy, and total cost competitiveness.

Master of Flexibility (MoF) approach is a strategic cornerstone for Fortaco Group's success in situations where a deep understanding of customer needs is combined with flexibility requirements. MoF means aligning resources while skills and processes are developed to meet customer requirements in an efficient and effective way. Further, MoF is about understanding the built-in conflict between efficiency and flexibility and being able to price products according to the positive value that flexibility brings to Fortaco Group's customers. According to Fortaco's management, MoF also enables positive business outcomes, e.g., improved delivery accuracy and efficiency as well as lower inventory levels.

### ***Suppliers and Sourcing***

Fortaco Group has a diversified supplier base as, during years 2018 to 2022, Fortaco Group's top 10 largest suppliers accounted for below 40 per cent.<sup>19</sup> of its total supplier costs.

In terms of sourcing, Fortaco Group aims to have overall best-in-class sourcing which is closely aligned with best practices from the automotive industry. Sourcing performance is monitored monthly which enables swift cost mitigation actions when necessary. As regards sourcing of critical materials, when possible, Fortaco Group applies a dual sourcing setup. Fortaco Group co-operates closely with its main suppliers and identifies alternatives as a continuous part of business.

### ***Customer Relationships***

During recent years, Fortaco Group has expanded its customer portfolio to new industries as well as acquiring new customers in its previously existing industries, all while retaining its existing key customers. Fortaco Group builds its customer relationships by starting with smaller initial contracts which are then increased over time as trust between Fortaco Group and the customer grows. Despite having a relatively concentrated customer base (top 10 customers accounted for approximately 82 per cent. of Fortaco Group net sales in 2022), Fortaco Group's customer base is industry-wise diversified as its customers operate in several different industries such as mining, material handling, container handling, construction, forest, defense, and agriculture. Wide exposure to different industries is mitigating the impact of different business cycles. Majority of Fortaco Group's customers are large, multinational corporations with strong creditworthiness, mainly headquartered in the Nordics or other European countries. The table below summarizes key aspects of Fortaco Group's customer relationships.

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<sup>19</sup> Figure is unaudited.

<b>Excellent customer retention</b> Minor changes in customer portfolio over the last decade is underpinned by Fortaco's ambition to provide high levels of quality, safety and delivery accuracy for its customers	<b>Long-term relationships</b> Strategic cooperation where Fortaco acts as a sourcing partner while providing deeper understanding of customer's operations and needs	<b>High switching costs</b> Long product life cycles creates mutual dependence and increases switching costs as shifting to other suppliers risks compromising quality and delivery time
<b>Agreement structure</b> General terms of cooperation are defined in corporate-level frame agreements while details on daily operations, e.g., pricing and deliveries, are agreed at local level	<b>Order book visibility</b> Customers provide order estimates for planning purposes and deliveries are always based on customer orders. Pricing, payment and other terms based on existing agreements	<b>Tracking hours per customer</b> Working hours per customer tracked but profitability by customer not currently followed on continuous basis

## ESG Matters

### QHSE Policy

Fortaco Group's QHSE (Quality, Health, Safety and Environment) policy was approved by the Fortaco Group management team in April 2015 and is as follows:

**Fortaco is a unique** manufacturing company operating in the heavy equipment market. We aim to be the most professional and reliable partner in our industry with total commitment to safety, quality and operational excellence.

**Our reputation** is our greatest asset. It is founded on our values and embodied in our Code of Conduct.

**We are striving for** a safe, injury-free work environment, where everyone is committed and actively driving risk reduction and zero accidents.

**Our goal is to exceed** our customers' expectations for quality, deliver reliable and defect free products and improve continuously.

**We aim to be in harmony** with our environment, we are always improving our resource efficiency and achieving full compliance with the legal requirements and regulations.

**We expect all our employees to live our values** and take responsibility for their contribution to achieve quality, health, safety and environmental ambitions.

### Fortaco Go Green Initiatives

As a response to the industrial paradigm shift the world is facing, i.e., the fundamentals to redraw world's balance in energy systems driven by electrification, hydrogen, compressed liquid biogas, and fuel cells, Fortaco has launched the following Go Green Initiatives to meet customer demands and distinguish itself as a true premium partner to OEMs.

<b>Smartsteel Project</b>	<p><b>Status:</b> EU-funded development programme, ongoing with several OEMs and business partners.</p> <p><b>Target:</b> Development of data-based residual lifetime calculator (such as automotive Carfax system).</p> <p><b>Technologies:</b> IoT, Wireless, Blockchain.</p> <p><b>Supporting:</b> Extended equipment use, re-manufacturing, refurbishment as part of circular economy.</p>
<b>E-Mobility</b>	<p><b>Status:</b> Preparation and advanced talks with several customers ongoing, go-to-market preparations ongoing.</p> <p><b>Target:</b> Define Fortaco Group's role as a premium supplier in off-highway electrification.</p> <p><b>Technologies:</b> Battery packs, modularity, battery casing, cooling, protection, recycling, etc.</p>

**Supporting:** Economy of scale by modularization, re-use amongst OEMs and design effort valid to e-machines.

According to Fortaco's management, the presence in the E-mobility space with own branded products and systems offers countless opportunities, including attractive aftermarket business opportunities.

**Green Steel**      **Status:** Fortaco is a member of an ongoing Fossa research project.  
**Target:** A research study (project Fossa) on fossil-free steel is ongoing to understand how to implement new material at a customer's request. The project has three main themes: the value chain of fossil-free steel, advanced steels and applications, and virtual manufacturing of steel products. The project is funded by Business Finland and by consortium participants. Fortaco takes care of the fossil-free steel application in manufacturing.  
**Technologies:** Hydrogen reduction of HSS steel.  
**Supporting:** Switch to fossil free steel. According to Fortaco's management, Fortaco Group has R&D and engineering capabilities to complete an initiative without OEMs.

**Sustainable Production**      **Status:** Fortaco Group has recently defined the approach on sustainability. Customers are asking the supply chain to reduce CO2 emissions significantly and, according to Fortaco's management, Fortaco Group is in the leading position to address this request.

### Recent Events

In January 2022, Fortaco Group formed a strategic alliance with Buisard Cabins by acquiring 35 per cent. share of a French cabin manufacturer Buisard S.A.S and established the Fortaco Buisard Cabins entity. Further, Fortaco Group has an option to acquire the remaining 65 per cent. in the future. Fortaco Buisard Cabins provides vehicle cabin technology and manufacturing for the off-highway equipment industry as a part of Fortaco Group. Offering includes completely assembled plug-and-play vehicle cabins and high-volume operator cabins to agriculture applications. Through the strategic alliance, according to Fortaco's management, Fortaco Group and Buisard created one of the leading vehicle cabin technology and manufacturing businesses. With more than 80 years of combined track record, according to Fortaco's management, Fortaco Buisard Cabins is one of the most experienced and reliable operator cabin manufacturers in Europe.

In December 2022, Fortaco announced that it has started a capacity extension project at a vehicle cabin Business Site Holic in Slovakia. The investment will consist of a 4,000 m2 factory extension, an increased workforce of 90+ people and new equipment. The construction work will be started in H1-2023 and it is scheduled to be finalised in Q4-2024. The project is planned to be financed through a combination of finance leasing (equipment) and usage of part of the pledged cash readily available for M&A and expansionary capex purposes. Fortaco's factory in Holic, Slovakia offers vehicle cabin manufacturing capabilities to the world's leading OEM customers, including design and engineering, and aftermarket services. Fortaco Buisard Cabin's footprint comprises of three modern factories with the best-in-class equipment in Sablé-sur-Sarthe France, Kurikka Finland, and Holic Slovakia.

### Future Business Opportunities

Fortaco is currently in the process of establishing the Masterplan for 2026. The key future business opportunities under consideration are based on:

1. Growing organically with existing customers within existing growth platforms being assembly, vehicle cabins and steel fabrications businesses
  2. Introducing new customers and new capacities within existing growth platforms
  3. Following core customers into new geographies within existing growth platforms
  4. Introducing new production and/or industry segments and/or capabilities within existing growth platforms
  5. Expanding into new technology areas through new growth platforms
- 
1. The basic building block in the growth story of Fortaco is to continue developing its current offering for current customers and current business sites including continued profitable growth of assembly, vehicle cabin and steel fabrication businesses within the existing business site structure.

2. Fortaco is currently already working with or is targeting several new customers, which entails significant new business opportunities to expand the current offering. These opportunities in principle also require new structural capacity such as new production space, either in the form of expanding current business sites or opening and/or acquiring new operations. The growth track can be executed either organically or through M&A. Specifically, Fortaco Group is in advanced stage of planning to extend the capacity within steel fabrication business in Poland. The envisaged investment consists of covered production area of 34.000m<sup>2</sup> and new equipment. The plan is to enter into long-term leasing agreement concerning the build for purpose real estate and finance the equipment and other investments through a combination of finance leasing facility as well as by utilizing part of the cash currently pledged for such purposes.
3. Fortaco is serving the leading OEMs within the off-highway and marine industries. These customers are operating globally and are in need of Fortaco's capabilities and current offering also outside Europe. Hence, Fortaco is actively evaluating possibilities to enter into new geographies continuing to serve its core customers with new geographical reach. The growth track can be executed either organically or through M&A.
4. Introducing new production and/or industry segments and/or capabilities can entail considering entering into new industry segments under the off-highway and marine umbrella Fortaco is not currently active in or is only having sub-scale operations. It can also include expanding capabilities so that clearly new type of steel fabrications or cabins could be manufactured going forward. The growth track is likely to be executed through M&A.
5. Fortaco has launched Zero Emission Solutions business in the beginning of 2023, which is focused on fossil-free steel applications, lightweight structures, circular economy, and e-mobility solutions. The Zero Emission Solutions business is one example of expansion into new technology areas with new business offering. Another consideration could be to expand Fortaco's offering to cover new products outside the scope of assembly, vehicle cabins or steel fabrications, the customers remaining to be within the off-highway and marine industries.

## Outlook

*This section, "Outlook", contains forward-looking statements. Forward-looking statements do not guarantee future development, and the actual market development of the Issuer or Fortaco nor the financial performance of the Issuer or Fortaco. The financial results actually achieved may materially differ from what has been presented herein or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "Forward-looking Statements" and "Risk Factors". The Issuer advises to take a cautious view on these forward-looking statements. The following guidance has been prepared on a basis which is (i) comparable with Fortaco's historical financial information and (ii) consistent with Fortaco's accounting policies.*

For 2023, net sales higher than EUR 350 million (comparable net sales in 2022: EUR 332.4 million) and recurring EBITDA<sup>20</sup> higher than comparable recurring EBITDA in 2022 (comparable recurring EBITDA in 2022: EUR 24.7 million).

The outlook set out above replaces the previous outlook for 2023 released by the Issuer on 3 March 2023.

Fortaco's outlook is based on the estimates and assumptions made by the Issuer's management as regards the development of the market demand for Fortaco's products and services and the price and availability of raw materials, labor, commodities, and energy. The key factors affecting the net sales and the recurring EBITDA that the Issuer can affect are operating cost adjustments, pricing adjustments, the ability to respond to changes in demand and the ability to implement new business from Fortaco's existing customers. Factors beyond the Issuer's control are mainly related to the price and availability of raw materials, labor, commodities and energy, proper functioning of the machine park, and the overall general economic development with industry specific variations, typically affecting the overall customer demand and uncertainty on the international financial market.

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<sup>20</sup> Recurring EBITDA as detailed in the table in section "Financial and Other Information – Alternative Performance Measures – Calculation of Certain Alternative Performance Measures".

## **Legal and Regulatory Proceedings**

In the 12 months preceding the date of this Prospectus, the Issuer has not been involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or Fortaco Group, nor is the Issuer aware of any pending proceedings or the threat thereof and in the 12 months preceding the date of this Prospectus, none of the Guarantors or entities providing Transaction Security have been involved in a governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the financial position or profitability of that Guarantor, entity providing Transaction Security and/or Fortaco Group, nor is any of the Guarantors or entities providing Transaction Security aware of any pending proceedings or the threat thereof.

## **Material Agreements**

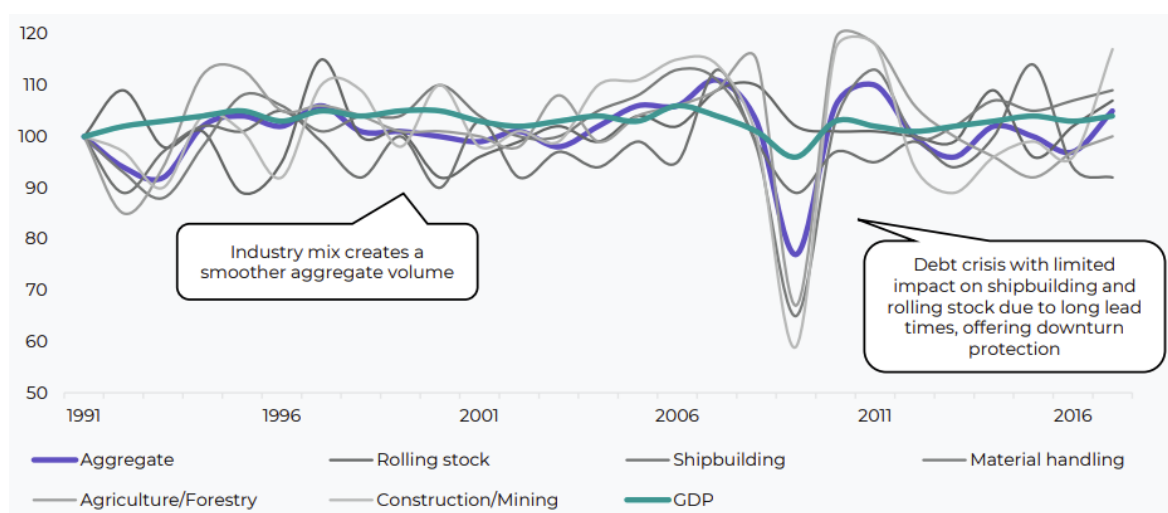
The Issuer has not entered into any material contracts (other than the agreements discussed in section “*Financial and Other Information – Key Financial Agreements*” and contracts entered into in its ordinary course of business) which could result in any Group company being under an obligation or entitlement that is material to the Issuer’s ability to fulfil its obligations to the Bondholders.

## MARKET OVERVIEW

### Overview

According to Fortaco's management, Fortaco Group has a strong position in a growing, highly fragmented market offering several consolidation and market entrance opportunities, and which is based on robust underlying growth fundamentals. Further, according to Fortaco's management, Fortaco Group's focus markets, e.g., technology, assembly, cabins and steel fabrication markets, are all largely populated with smaller, local competitors that lack the capabilities and scale demanded by OEMs.

In addition to decentralized geographic customer revenue in Europe, Fortaco Group has diversified exposure to multiple industries as its customer base consists of OEMs operating in, e.g., the following industries: agriculture, container handling, recycling, material handling, mining, construction equipment, forestry, and marine and energy. None of the various industries where Fortaco Group's customers operate in account for more than approximately 25 per cent.<sup>21</sup> of net sales of Fortaco Group. Material handling, mining, and container handling are the three industries generating most net sales to Fortaco Group. The wide and decentralized exposure to multiple industries offsets cyclicity from Fortaco Group's perspective protecting Fortaco Group in economic downturns. The figure below presents historical production indices of selected Fortaco Group's customers' industries during the relevant period illustrating the different timing of cycles in different industries, which make overall demand for Fortaco Group's services more stable.<sup>22</sup>



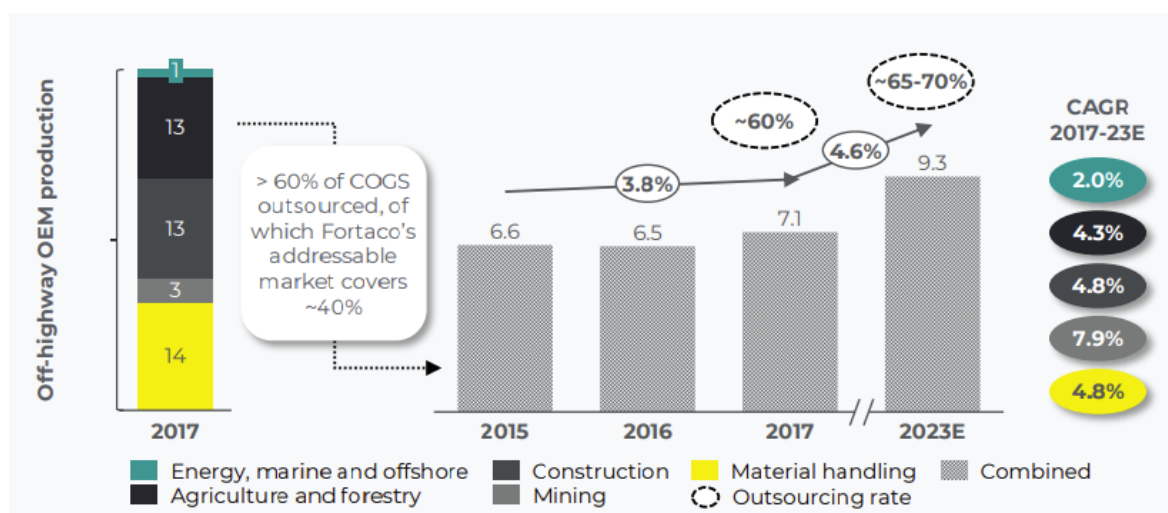
### Addressable Market

OEMs in the off-highway industry, and hence Fortaco Group's focus markets, are looking to outsource increasing amount of non-core operations which is driven by, e.g., lower overhead costs, specialized R&D and manufacturing, and cost advantages in sourcing premium components. Therefore, Fortaco Group's addressable market derives from the outsourced share of components and contract manufacturing; OEMs typically outsource 60 per cent. of product COGSs (Cost of Goods Sold) out of which Fortaco Group's offering can cover approximately 38 per cent. The below figure presents Fortaco Group's addressable market's size and expected growth in Europe by industry (EUR billions).<sup>23</sup>

<sup>21</sup> Figure is unaudited.

<sup>22</sup> Source for the figure: Oliver Wyman.

<sup>23</sup> Source: Oliver Wyman.



Role models for OEMs in Fortaco Group's addressable market can be found in automotive industry where OEMs are currently defining new core competencies driven by megatrends such as digitalization and electrification leading to increased outsourcing to well-integrated Tier 1 and Tier 0.5 partners. OEMs in the off-highway industry are expected to follow in the same footsteps. In addition, key market trends in Fortaco Group's addressable market include, e.g., increasing demand for local suppliers and supply chain reliability, solid underlying demand outlook for OEM customers, and OEMs are looking for professional partners with scale and centralized sourcing. On the other hand, key barriers to entry of Fortaco Group's addressable market are, e.g., high capital requirements to gain economies of scale, close customer relationships with supply chain dependencies and high switching costs, and that upstream supply is dependent on years of building relationships and vast sourcing knowledge.<sup>24</sup>

### Competitive Position and Key Markets

Operators in Fortaco Group's markets can be divided into the following categories: (i) steel/cabin production companies offering mainly manufacturing excellence based on a cost competitive structure, (ii) integrated steel fabrication specialists with an integrated offering including engineering, (iii) integrated cabin specialists with offering including R&D and module assembly, and (iv) strategic and broad Tier 0.5 partners with integrated offering, covering several core vehicle components. Within its market, Fortaco Group stands out as the only operator in the (iv) category and hence as a true strategic partner to OEMs, offering both technology and manufacturing services of each of steel fabrication, cabins and assembly.<sup>25</sup>

Key purchase criteria for OEMs when outsourcing includes, e.g., safety, quality, flexibility, innovation and R&D, size and stability, scope of service, sustainability and reporting, price, and delivery time and reliability. Apart from the latter two, importance of the mentioned criteria is on an upward trajectory. Compared to Fortaco Group's competitors, Fortaco Group performs at least on an average-level in each criterion and its relative strengths lie in delivery time and reliability, size and stability, and scope of service.<sup>26</sup>

Lastly, Fortaco Group is a pioneer in technology services within its market which allows it to differentiate from its competitors with unique concepts and abilities, utilizing digitalization and automation, and for its customers to gain competitive innovation and R&D capabilities through Fortaco Group now and in the future. In the long-term, Fortaco Group's technology pioneer mindset generates significant competitive advantages for both Fortaco Group and its customers.<sup>27</sup>

### Steel Fabrication Market

According to Fortaco's management, Fortaco is one of the market leaders within Steel Fabrication business in Europe. The market is highly fragmented and according to Fortaco's management's estimate Fortaco Group currently has a market share of less than 5 per cent. According to Fortaco's management, the fragmented market provides further opportunities for consolidation. Fortaco's management expects Fortaco Group's Steel Fabrication

<sup>24</sup> Source: Oliver Wyman.

<sup>25</sup> Source: Oliver Wyman.

<sup>26</sup> Source: Oliver Wyman.

<sup>27</sup> Source: Oliver Wyman.

business to grow organically from EUR 223 million in 2022 to more than EUR 240 million in 2023, assuming steel prices are stable. According to Fortaco's management, in the market where most of the competitors are smaller operators with limited capabilities, compared to its competitors, Fortaco Group has the broadest geographical cover, serves the most end market industries, and has the most versatile value chain coverage.

#### *Vehicle Cabins Market*

According to Fortaco's management, Fortaco's market position is number two for vehicle cabins business in Europe (combined 10 per cent. share of the EUR 1.6 billion market together with Buisard). Compared to most of the competitors in the vehicle cabins market, according to Fortaco's management, Fortaco Group together with Buisard has a broad geographical coverage as its production facilities are located both in the Nordics and in the Central-Europe.

According to Fortaco's management, the market leaders in the highly fragmented vehicle cabins market have gained larger market share through acquisitions, and industry consolidation offers further M&A potential. In addition, Fortaco's management expects Fortaco Group's Vehicle Cabins business to grow organically from EUR 84 million in 2022 to close to EUR 100 million in 2023 (excluding Buisard revenue). According to Fortaco's management, from a Capex perspective, Fortaco Group has a well-invested asset-base including, e.g., an E-coat painting line in each business site.



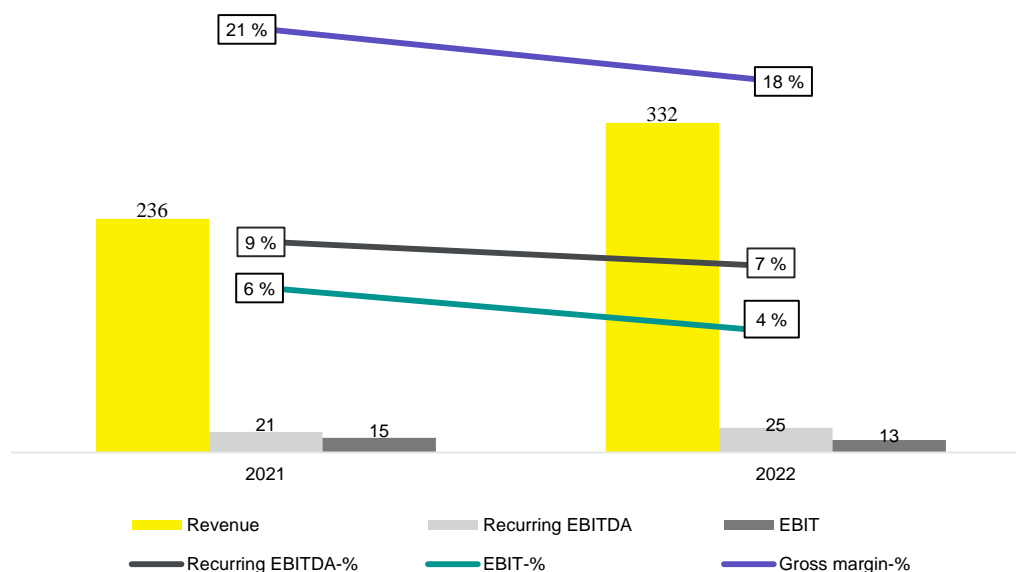
## FINANCIAL AND OTHER INFORMATION

### Historical Financial Information

As the Issuer is a holding company established in 2022 with no operational business, the historical financial information in this Prospectus comprises the consolidated financial information of Fortaco Group Oy as at and for the financial year ended 31 December 2022 (unaudited), consolidated financial statements of Fortaco Group Oy as at and for the financial year ended 31 December 2021 (audited) and the audited consolidated financial statements of the Issuer as at and for the financial period ended 31 December 2022. Fortaco Group Oy's consolidated financial information as at and for the financial year ended 31 December 2022 (unaudited), Fortaco Group Oy's consolidated financial statements as at and for the financial year ended 31 December 2021 (audited) and the audited consolidated financial statements of the Issuer as at and for the financial period ended 31 December 2022 have been incorporated into this Prospectus by reference. Save for the audited historical financial information incorporated into this Prospectus by reference, no part of this Prospectus has been audited.

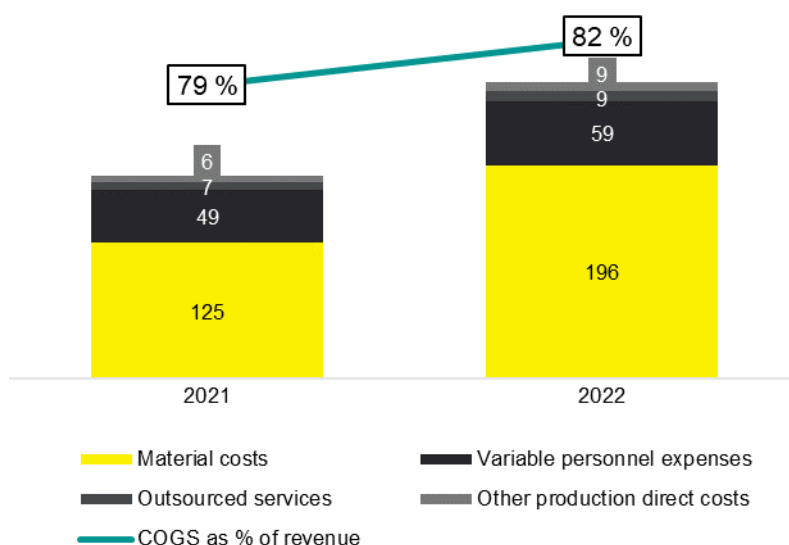
### Certain Financial Information

Fortaco Group has maintained stable profitability in times of uncertainty, e.g., Covid-19 pandemic in 2020 and highly volatile and inflationary market environment in Europe in 2022. The figure below presents Fortaco Group's revenue, EBIT and recurring EBITDA development in millions of euros over the years indicated. In 2022, Fortaco Group's revenue was EUR 332 million (unaudited), recurring EBITDA was EUR 25 million (unaudited) and recurring EBITDA-% was 7 per cent. (unaudited). Figure below also presents Fortaco Group's non-adjusted gross margin development over the years indicated. Despite significantly increasing steel prices and other cost inflation during 2022, Fortaco Group reached increased absolute recurring EBITDA in 2022 compared to 2021. The development was driven by passing through the majority of the cost increases to customers, volume increase contributing positively to the profitability as well as high amount of internal improvement e.g. in terms of productivity.



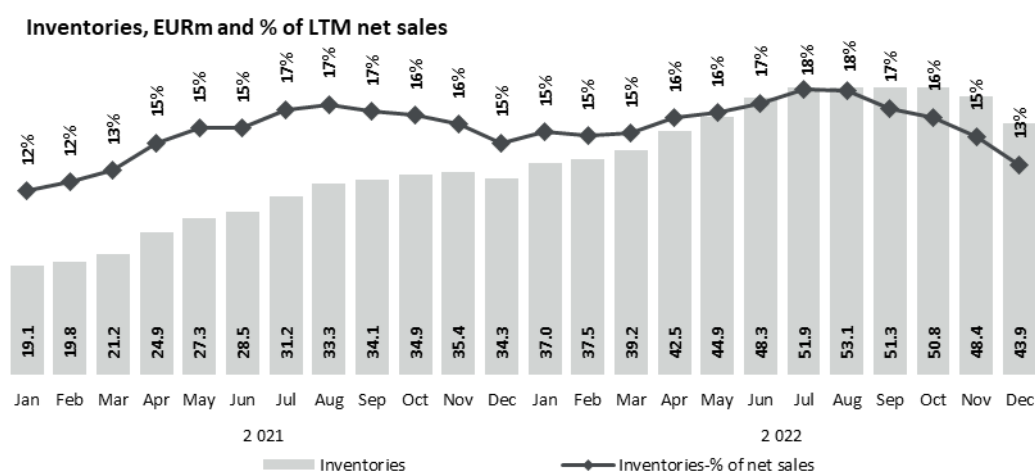
*Notes: Fortaco Group consolidated figures. Revenue and EBIT audited for 2021 and unaudited for 2022. Recurring EBITDA, recurring EBITDA-%, EBIT-% and gross margin-% unaudited for 2021 and 2022. Recurring EBITDA refers to EBITDA excluding non-recurring items.*

In addition to presenting the development of Fortaco Group's costs in millions of euros and their relation to revenue, the below figure presents the cost split of Fortaco Group during the years indicated (COGS, cost of goods sold).



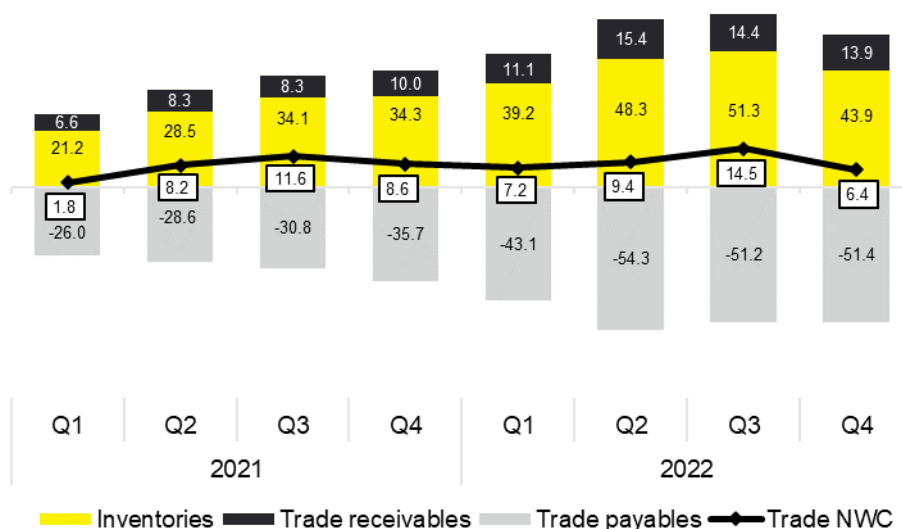
Notes: Fortaco Group consolidated figures (all figures are unaudited).

The below figure presents monthly inventories in millions of euros and inventories-% of LTM (last twelve months) net sales of, between January 2021 and August 2022, Fortaco Group and, for between September 2022 and December 2022, Fortaco.



Notes: Fortaco Group consolidated figures except between September 2022 and December 2022, which are Fortaco's consolidated figures. Inventories for December 2021 and December 2022 are audited. All other figures are unaudited.

Further relating to inventories, the below figure presents, until Q3 of 2022, Fortaco Group's and, for Q3 and Q4 of 2022, Fortaco's quarterly NWC (net working capital) profile in millions of euros over the years indicated. Between Q1 2021 and Q4 2022, quarterly NWC of Fortaco Group and Fortaco, as applicable, was approximately 4 per cent. of LTM net sales on average (unaudited).



Notes: Fortaco Group consolidated figures except for Q3 and Q4 2022, which are Fortaco's consolidated figures. Inventories and Trade payables audited for Q4 of 2021 and Q4 of 2022. All other figures are unaudited.

### Alternative Performance Measures

The Issuer presents in this Prospectus certain performance measures, which in accordance with the “*Alternative Performance Measures*” guidelines by the European Securities and Markets Authority (“ESMA”) are not accounting measures of historical financial performance, financial position, and cash flows, defined or specified in IFRS, but which are instead alternative performance measures. In the Issuer’s view, alternative performance measures provide meaningful supplemental information about Fortaco Group to the management, investors, securities market analysts and other regarding Fortaco Group’s results of operations, financial position, and cash flows. These alternative performance measures are:

- Recurring EBITDA
- Recurring EBITDA-%
- Gross margin-%
- Non-recurring items
- Trade NWC

For the detailed definitions for the use of these alternative performance measures, see “*Calculation of Certain Alternative Performance Measures*” below.

Alternative performance measures used by companies may differ from company to company and the calculation formulas used by companies may not be uniform. Therefore, the alternative performance measures presented in this Prospectus may not be comparable with similarly titled measures presented by other companies.

### Calculation of Certain Alternative Performance Measures

<b>Alternative Performance Measure</b>	<b>Calculation form</b>
Recurring EBITDA	$EBITDA + non - recurring\ items$
Recurring EBITDA-%	$\frac{EBITDA + non - recurring\ items}{Net\ sales}$
Gross margin-%	$\frac{Net\ sales - Cost\ of\ Goods\ Sold}{Net\ sales}$
Non-recurring items	$Non - recurring\ cost\ or\ profit\ not\ relating\ to\ normal\ running\ business^{28}$
Trade NWC	$Inventory + Trade\ receivables - Trade\ payables$

The purpose of use for the Issuer of the alternative performance measures detailed above are as described below:

- **Recurring EBITDA:** Recurring EBITDA is used to present a profitability measure that is not distorted by irregular income or costs.
- **Recurring EBITDA-%:** Recurring EBITDA-% is used to present a relative profitability measure that is not distorted by irregular income or costs.
- **Gross margin-%:** Gross margin-% is used to present a relative profitability measure showing the profitability after deduction of the variable costs (materials, blue collar personnel and other such variable costs) from net sales.
- **Non-recurring items:** Non-recurring items are used to follow financial performance without impact of irregular income or costs that are not related to the ordinary course of business.
- **Trade NWC:** Trade NWC is used to present the amount of capital tied up to the inventories, trade receivables and trade payables in total.

#### ***Reconciliation of Certain Alternative Performance Measures***

<sup>28</sup> Non-recurring items are costs or income not related to the ordinary course of business, including restructuring costs, strategic development projects and transaction costs.

	<b>For the year ended 31 December</b>	
(EUR in millions, unless otherwise indicated)	<b>2022</b>	<b>2021</b>
EBIT	12.5	14.7
Depreciations & amortizations	-10.3	-10.1
EBITDA	22.8	24.8
Fixed costs	-36.3	-24.0
Gross margin	59.2	48.8
Cost of Goods Sold	-273.3	-186.9
Net Sales	332.4	235.7
Non-recurring items	1.8	-4.0
<b>Recurring EBITDA</b>	<b>24.7</b>	<b>20.7</b>
Inventories	43.9	34.3
Trade receivables	13.9	10.0
Trade payables	-51.4	-35.7
<b>Trade NWC</b>	<b>6.4</b>	<b>8.6</b>

*Notes: Fortaco Group consolidated figures except for Inventories, Trade receivables and Trade payables for 2022, which are Fortaco consolidated figures. Inventories and Trade payables audited for 2022. EBIT, Depreciations & amortizations, Net Sales, Inventories and Trade payables audited for 2021. All other figures are unaudited.*

## **Key Financial Agreements**

### ***Agency Agreement***

In connection with the Offering, the Issuer has entered into an agency agreement with Nordic Trustee & Agency AB (publ), under which Nordic Trustee & Agency AB (publ) shall undertake to act as an agent and representative of the holders of the Bonds and perform custodial and administrative functions relating to the Bonds.

### ***Security Documents***

To secure the due and punctual fulfilment of the Secured Obligations, the Issuer and certain of its subsidiaries have entered into security agreements with Nordic Trustee & Agency AB (publ) as the security agent (all such agreements together the “**Security Documents**”). The purpose of the Security Documents is to create first ranking security in favor of the Secured Parties over certain assets of the security providers.

For further information, please see “*Additional Information on the Guarantees, Transaction Security and Intercreditor Principles*”.

### ***Guarantee and Adherence Agreement***

To secure the due and punctual fulfilment of the Secured Obligations, the Issuer and certain of its subsidiaries have entered into a guarantee and adherence agreement with Nordic Trustee & Agency AB (publ) as the security agent pursuant to which the Guarantors shall, amongst other, (i) guarantee all amounts outstanding under the

Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, and (ii) undertake to adhere to the terms of the Finance Documents.

For further information, please see “*Additional Information on the Guarantees, Transaction Security and Intercreditor Principles*”.

#### ***Possible Super Senior RCF and Intercreditor Agreement***

In accordance with the Terms and Conditions of the Bonds, one or more members of the Group may enter into a Super Senior RCF agreement under which a Super Senior RCF Creditor provides a revolving credit facility for working capital needs of the Group. The Super Senior RCF is expected to contain customary representations, undertakings, mandatory prepayment and event of default clauses in addition to customary financial covenants, some of which may be tested periodically (maintenance covenants) and some of which may be tested on specific events (incurrence covenants). The facility provided under the Super Senior RCF may be in the maximum aggregate amount of the higher of: (i) EUR 7,500,000, and (ii) 35 per cent. of EBITDA of the Group.

In connection with the Super Senior RCF, the Issuer and other members of the Group may enter into an intercreditor agreement by and between, amongst other, the Issuer, the Super Senior RCF Creditor(s) under the Super Senior RCF, the facility agent under the Super Senior RCF, certain hedging counterparties and the Agent (representing the Bondholders), on the principal terms set out in the Intercreditor Principles.

For further information, please see “*Additional Information on the Guarantees, Transaction Security and Intercreditor Principles*”.

#### **Non-recourse factoring agreement**

Certain members of the Group have entered into non-recourse factoring agreements with OP Corporate Bank plc, Norra Finans Sverige AB and Norra Finans Oy. Under the factoring agreements, the members of the Group sell their accounts receivable to the financiers, and these factoring arrangements are a key component in the Group's working capital management.

#### **No Material Adverse Change in the Prospects**

Since 31 December 2022, the last day of the financial period in respect of which the most recently audited financial statements of the Group have been prepared, there has been no material adverse change in the prospects of the Issuer or any of the Guarantors.

#### **No Significant Change in the Financial Performance or Financial Position**

There has been no significant change in the financial performance or the financial position of the Issuer or any of the Guarantors since 31 December 2022, which is the end of the last financial period for which an audited financial report has been published.

#### **Share Capital and Ownership Structure**

As at the date of this Prospectus, the Issuer has issued a total of 1,000 ordinary shares and has a registered share capital of EUR 80,000.00 which is fully paid.

The sole shareholder of the Company is OEP 81 B.V. who owns 100 per cent. of the shares in the Issuer.

## BOARD OF DIRECTORS, SUPERVISORY BOARD, MANAGEMENT AND AUDITORS

### General

Pursuant to the provisions of the Finnish Companies Act and the Issuer's Articles of Association, responsibility for the control and management of the Issuer is divided between the governing bodies of the Issuer, including the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, the Chief Executive Officer (CEO) and the Group Leadership Team. Shareholders of the Issuer participate in the control and management of the Issuer through resolutions passed at General Meetings of Shareholders. General Meetings of Shareholders are generally convened whenever required for decision-making. In addition, General Meetings of Shareholders are held when requested in writing by an auditor of the Issuer or by shareholders representing at least one-tenth of all the outstanding shares in the Issuer.

The Issuer, together with its direct and indirect subsidiaries, has drawn up the rules of procedure for decision-making bodies and guidelines for the division of tasks between the Supervisory Board, the Board of Directors, the CEO and the Group Leadership Team as well as for the arrangement of internal supervision and risk management ("**Rules of Procedure**") to augment the provisions of the Finnish Companies Act and the Company's Articles of Association.

In its corporate governance, decision making and administration, the Issuer complies with the Finnish Companies Act, the Finnish Securities Markets Act (746/2012, as amended) and other laws and regulations applicable to listed bonds as well as the Issuer's Articles of Association.

The business address of the members of the Board of Directors, the Supervisory Board, the Chief Executive Officer and the other members of the Group Leadership Team is Äyritie 24, FI-01510 Vantaa, Finland.

### Board of Directors

The Board of Directors supervises the Issuer's operations and management, deciding on significant matters concerning the company strategy, investments, organisation and finance.

At the date of this Prospectus, the Board of Directors of the Issuer consists of the following persons:

#### **Name:**

#### **Memberships in other Boards of Directors:**

#### **Lars Hellberg**

B.Sc. (Mechanical Engineering)

**Member 2022–**

*Member of Board of Directors in several Fortaco Group subsidiary companies*

#### **Kimmo Raunio**

M.Sc. (Technology)

**Deputy Member 2022–**

#### **Membership in other Boards of Directors:**

*Member of Board of Directors in several Fortaco Group subsidiary companies*

The members of the Board of Directors of the Issuer also comprise the Board of Directors of Fortaco Group Oy.

### Supervisory Board

The Annual General Meeting of the Shareholders appoints the Members of the Supervisory Board and the Board of Directors, whose duties are defined by the law, the Articles of Association and the Rules of Procedure of the Issuer.

The general duty of the Supervisory Board is to direct the Issuer's business in such a way that, in the long term, it generates the greatest possible added value on the capital invested in it, at the same time taking the various stakeholders into account. Should any matter which has been addressed to the competence of the Supervisory Board under the Issuer's Rules of Procedures belong to the sole competence of either the General Meeting of the Shareholders or the Board of Directors according to the Finnish Companies Act, the Supervisory Board is entitled

to make relevant resolutions which are then formally recorded into the resolutions of either the General Meeting of the Shareholders or the Board of Directors. According to the Rules of Procedure, the Supervisory Board decides on, *inter alia*, all material business issues (including without limitation the purchase and sale of any real estate, business, shares or other securities), any significant organizational changes, material investments or series of investments or leases, the appointment and dismissal of the CEO (which is then formally recorded into the resolutions of the Board of Directors), certain policies and proposals and consent to decisions of the Board of Directors on other matters required by law, by the Articles of Association and by mandatory rules and regulations or on matters which are otherwise essential to the Company.

The agenda for meetings of the Supervisory Board is prepared and presented by the CEO. The Supervisory Board has to evaluate its performance and working methods once a year.

At the date of this Prospectus, the Supervisory Board of the Issuer consists of the following persons:

<b>Name:</b>	<b>Background:</b>
<b>Panu Routila</b> DBA, Aalto University M. Sc. (Accounting and Finance) <b>Chairman 2022–</b>	<i>Patria Oyj, Chairman of The Board 2020– Neova OYJ, Chairman of The Board 2022– Ensto Oy, Board Member 2020– Konecranes, President and CEO 2015–2019 Ahlström Capital, President and CEO 2008-2015</i>
<b>Markus Sjöholm</b> MSc (Economics and Finance) <b>Member 2022–</b>	<i>Fortaco Group Oy, Member of the Board of Directors 2016- 2017, 2019– Actone Ltd., CEO &amp; Founder 2018– Lahti Precision Oy, Chairman of The Board 2020–2023, Member of the Board of Directors 2018-2020 Irepse Oy (Esperi Care), Chairman of The Board 2020–2022 Solera Beverage Group, Chairman of The Board 2020–2021 Sdiptech AB (publ), Member Board of Directors 2018–2020 CapMan Buyout, i.a. Managing Partner, Partner 1996-2018</i>
<b>Johann-Melchior von Peter</b> Education: Diplom-Volkswirt <b>Member 2022–</b>	<i>One Equity Partners, Senior Managing Director 2001–</i>
<b>Marc Lindhorst</b> M. Sc. (Finance) B. Sc. (General Management & Business Law) <b>Member 2022–</b>	<i>One Equity Partners, Principal 2015–</i>
<b>Sebastian Schatton</b> B. Sc. (General Management) <b>Member 2022–</b>	<i>DESMI, Member Board of Directors 2022– One Equity Partners, Vice President 2018–</i>

### **Chief Executive Officer and Group Leadership Team**

The Issuer's Supervisory Board appoints the Chief Executive Officer. The CEO is responsible for the everyday management and supervision of the Issuer in accordance with the provisions of the Finnish Companies Act as well as in accordance with authorizations and guidelines received from the Supervisory Board. The CEO is responsible for ensuring that the obligations, agreements or other legal actions to which the Issuer is committed or in which it takes part, is properly documented and that it does not conflict with Finnish or foreign mandatory legislation. The CEO must furthermore oversee compliance with the goals, procedures and strategy plans on which the Supervisory Board and the Board of Directors has decided, and he must see to it that these goals, procedures and plans are submitted when necessary to the Supervisory Board of for update or review.

At the date of this Prospectus, the CEO of the Company is Lars Hellberg.



In the operative management of the Group, the Chief Executive Officer is assisted by other members of the Group Leadership Team. At the date of this Prospectus, the Group Leadership Team consists of the following persons:

<b>Name:</b>	<b>Background:</b>
<b>Lars Hellberg</b> B.Sc. (Mechanical Engineering) <b>President &amp; CEO 2013–</b> <b>Member of the Group Leadership Team 2013–</b>	<i>Wärtsilä Oyj, Group Vice President and Head of Engine division, member of the Board of Management, 2004–2013</i> <i>LMNC Invest AB, Owner 2023–</i> <i>ablH, Owner 2013–</i> <i>GLG, Council Member 2013–</i> <i>SinterCast AB, Member, Board of Directors 2018–2020</i> <i>Walki Oy, Member, Board of Directors 2013–2019</i> <i>Komas Oy, Member, Board of Directors 2011–2019</i>
<b>Kimmo Raunio</b> M. Sc. (Technology) <b>Senior Executive Vice President &amp; CFO 2023–</b> <b>Member of the Group Leadership Team 2016–</b>	<i>Senior Vice President &amp; CFO, 2016–2023</i> <i>Group Business Controller, Fortaco Group Oy, 2012 - 2016</i> <i>Associate, HLP Corporate Finance Oy, 2010–2012</i>
<b>Agnieszka Koziara</b> Master in Human Resource Management, MBA <b>Senior Vice President, People &amp; HR 2019–</b> <b>Member of the Group Leadership Team 2018–</b>	<i>Fortaco Group Oy, HR Director 2018–2019</i> <i>Fortaco Group Oy, HR Manager 2014–2018</i> <i>Ruukki Polska Sp. z o.o. HR Specialist, 2007–2014</i>
<b>Krzysztof Michel</b> MA in International Business, Executive MBA, MCIPS <b>Senior Vice President, Sourcing &amp; IT (CPO &amp; CIO) 2016–</b> <b>Member of the Group Leadership Team 2015–</b>	<i>Fortaco Group Oy, SVP Group Sourcing (CPO) 2015–2016</i> <i>Volvo Polska Sp. z o.o. (part of Volvo Bus Corporation), Purchasing Director Europe 1999–2014</i>
<b>Mikael Persson</b> M. Sc. (Mechanical Engineering) <b>Senior Vice President, Customer &amp; Business Development 2022–</b> <b>Member of the Group Leadership Team 2022–</b>	<i>Dafo Vehicle Fire Suppression AB, 2019– 2022</i>
<b>Rafal Sornek</b> Ph.D. University of Tokyo, Executive MBA, Aalto University, Helsinki <b>Senior Vice President, Zero Emission Solutions 2023–</b> <b>Member of the Group Leadership Team 2018–</b>	<i>Fortaco Group Oy, Senior Vice President, Fortaco Technology 2018–2023</i> <i>HIAB Cargotec, Vice President, R&amp;D 2010–2018</i>

#### **Absence of Conflicts of Interest**

To the knowledge of the Issuer, members of the Board of Directors, the Supervisory Board, or the Group Leadership Team (including the Chief Executive Officer) do not have any conflicts of interest between their duties relating to the Issuer and their private interests and/or their other duties.

#### **Auditors**

The consolidated financial statement of the Issuer for the financial year ended 31 December 2022 incorporated into this Prospectus by reference have been audited by Ernst & Young Oy with Anders Svernas, Authorised Public Accountant, as the auditor with principal responsibility. The consolidated financial statement of Fortaco Group Oy for the financial years ended 31 December 2021 incorporated into this Prospectus by reference have been audited by Ernst & Young Oy with Anders Svernas, Authorised Public Accountant, as the auditor with principal responsibility.

The sole shareholder of the Issuer has on 5 August 2022 elected Ernst & Young Oy as the Issuer's auditor. Anders Svernas, Authorised Public Accountant, is the Issuer's auditor with principal responsibility. The registered address of Ernst & Young Oy is Alvar Aallon katu 5 C, 00100 Helsinki.

## ARRANGEMENTS WITH THE BOOKRUNNER

Pareto Securities AB acted as a Bookrunner of the Offering. The Company has entered into agreements with the Bookrunner with respect to certain services provided by the Bookrunner in connection with the Offering.

## LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for the Issuer by Roschier, Attorneys Ltd.

## INFORMATION INCORPORATED BY REFERENCE

The Issuer's consolidated financial statements for the financial period ended 31 December 2022, Fortaco Group Oy's consolidated financial information for the financial years ended 31 December 2022 and Fortaco Group Oy's consolidated financial statements for the financial years ended 31 December 2021 are incorporated into and form part of the Prospectus by reference. The non-incorporated information in the documents incorporated by reference is not relevant for investors or can be found elsewhere in the Prospectus. The referenced documents are available for inspection on the Group's website at, [investors.fortacogroup.com](http://investors.fortacogroup.com).

Document	Information by reference
<a href="#"><u>Financial Statements, Fortaco Group Holdco Oy, 2022</u></a>	Audited consolidated financial statements (pages 27–57 of the annual report) and the auditor's report of the Issuer for the financial period ended 31 December 2022.
<a href="#"><u>Financial Information, Fortaco Group Oy, 2022</u></a>	Unaudited consolidated financial information of Fortaco Group Oy for the financial year ended 31 December 2022.
<a href="#"><u>Financial Statements, Fortaco Group Oy, 2021</u></a>	Audited consolidated financial statements (pages 26–63 of the annual report) and the auditor's report of Fortaco Group Oy for the financial year ended 31 December 2021.

## DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Company's Finnish language articles of association and extract from the Finnish Trade Register, the Terms and Conditions of the Bonds and contracts relating to the representation of the Bondholders (with certain commercial details redacted) may be inspected at the Company's website at, [investors.fortacogroup.com](http://investors.fortacogroup.com). Other Finance Documents may be inspected at the office of the Agent, at Norrlandsgatan 23, SE-111 43, Stockholm.

The Company publishes annual reports, including audited consolidated financial statements, quarterly interim financial statements for each year and other information as required by the Finnish Securities Markets Act and the rules of the Nasdaq Helsinki. As at the date of this Prospectus, all annual reports, interim reports and stock exchange releases are published in Finnish and English. Such information will be available on the Company's website at [investors.fortacogroup.com](http://investors.fortacogroup.com).

**ISSUER**

**Fortaco Group Holdco Oyj**

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FI-01510 Vantaa  
Finland

**BOOKRUNNER**

**Pareto Securities AB**

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Sweden

**LEGAL COUNSEL**

**Roschier, Attorneys Ltd.**

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