



**Fiven ASA**

relating to the listing of

EUR 56,500,000 Senior Secured Floating Rate Bonds due 2022

ISIN: SE0012453850

**Sole Bookrunner**

 **Pareto Securities**

The logo for Pareto Securities, featuring a stylized blue arc to the left of the company name "Pareto Securities" in a blue, sans-serif font.

Prospectus dated 27 March 2020

*The validity of this Prospectus will expire twelve (12) months from the date hereof. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.*

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Fiven ASA (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Norway, having its headquarters located at the address, Apotekergata 10, 0180 Oslo, Norway with reg. no. 922 224 129, in relation to the application for the listing of the senior secured floating rate bonds denominated in EUR (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB has acted as sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004 (the "**Delegated Regulation**"). The Regulation and the Delegated Regulation are jointly referred to as the "**Prospectus Regulations**".

The Prospectus has been approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (fiven.com).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 60 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**SEK**" refer to Swedish krona, references to "**NOK**" refer to Norwegian Krona, references to "**USD**" refer to American Dollars and references to "**BRL**" refer to Brazilian Real.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

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

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

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "*Documents incorporated by reference*" under section "*Other information*" below, and possible supplements to this Prospectus.

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## SUMMARY

### Introduction

**Introduction and warnings** This Prospectus has been drawn up in relation to the admission to trading of the EUR 56,500,000 senior secured floating rate bonds due 2022 of the 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. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability can only be imposed on those persons who have put forward the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities. Investors could lose all or part of the invested capital.

**Legal and commercial name of the Issuer and its ISIN and LEI** The legal and commercial name of the Issuer is Fiven ASA. The Issuer is a public limited liability company incorporated under the laws of Norway, with reg. no. 922 224 129 and with its registered office and headquarters at Apotekergata 10, 0180 Oslo, Norway. The registered office of the Board of Directors is Apotekergata 10, 0180 Oslo, Norway. The Issuer's legal entity identifier code ("**LEI Code**") is 549300Z4VK4GSH1X0129. The Bonds will be identified by the ISIN SE0012453850.

**Identity and contact details of the competent authority approving the prospectus** Finansinspektionen (the "**SFSA**") has its registered office at Brunnsgatan 3, P.O Box 7821, SE-103 97 Stockholm, with telephone number (+46) (0)8 408 980 00 and email address finansinspektionen@fi.se.

**Date of approval of the prospectus** The SFSA has, in its capacity as competent authority under the Prospectus Regulation, on 27 March 2020, approved this Prospectus.

### Key information on the Issuer

#### Who is the issuer of the securities?

**Issuer's domicile and legal form, its LEI, the law under which it operates and its country of incorporation** The legal and commercial name of the Issuer is Fiven ASA. The Issuer is a public limited liability company incorporated under the laws of Norway, with reg. no. 922 224 129 and its registered office is Apotekergata 10, 0180 Oslo, Norway. The Issuer's LEI Code is 549300Z4VK4GSH1X0129. The Issuer is subject to regulations such as, *inter alia*, the Norwegian Companies Act 1997.

**Principal activities of the Issuer/Group** The Issuer together with its direct and indirect subsidiaries from time to time (the "**Group**"), are a worldwide producer of silicon carbide grains and powders and ceramic applications, offering their products and solutions to customers in both established and new fast-growing applications. The Group has recently been carved out from Compagnie de Saint-Gobain S.A., a French multinational corporation involved in the production of a variety of construction and high-performance materials. The Group has a worldwide presence spanning Europe, Asia and the Americas and its product offering is spanning the entire range from core to high-end customised products. The main product of the Group is silicon carbide, which has a wide range of end markets including e.g. construction, engineering, automotive, electronics, marine, aerospace and defence, healthcare, and energy.

The Issuer is a holding company and does not perform any operating activities. The Issuer's operations are solely focused on managing its subsidiaries.

**Major shareholders**

The share capital of the Issuer is owned by Tosca Intermediate Holdings SARL, a private limited liability company operating under the laws of Luxembourg. Tosca Intermediate Holdings SARL has its registered office in the municipality of Luxembourg, Grand Duchy of Luxembourg. Tosca Intermediate Holdings SARL is owned by Tosca Ultimate Holdings SARL, a company operating under the laws of Luxembourg. Tosca Intermediate Holdings SARL, and the Issuer is controlled, by OpenGate Capital, a global private equity company, which through its funds Open Gate Capital Partners II, LP. and OpenGate Capital Partners II-A, L.P. together holds 100 per cent. of the votes and capital in Tosca Ultimate Holdings SARL. OpenGate Capital is a global private equity firm active in the lower-middle market and focused on acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe.

The shares of the Issuer are denominated in NOK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of NOK 1,000,000 divided into 1,000 of shares.

The following table sets forth the ownership structure in the Company as at the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Tosca Intermediate Holdings SARL	1,000	100 %	100 %
<b>Total</b>	<b>1,000</b>	<b>100.00 %</b>	<b>100.00 %</b>

**Executive Management**

The Executive Management consists of a team of four (4) persons. Falk Ast (Chairman of the Board of directors in Fiven ASA), Stein Erik Ommundsen (Group Chief Financial Officer and General Manager of Fiven ASA), Pål Runde (Research and Development Director and member of the Board of directors in Fiven ASA) and Betty Åsheim (Sales and Marketing Director and member of the Board of directors in Fiven ASA).

**Independent Auditor**

PricewaterhouseCoopers AS, with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway is the Issuer's independent auditor since 2019. PricewaterhouseCoopers AS is member of Den Norske Revisorforeningen (the Norwegian Institute of Public Accountants).

**What is the key financial information regarding the Issuer?<sup>1</sup>****Financial information**

The table below sets out a summary of the key financial information extracted from the Group's consolidated financial statements for the financial year ended 31 December 2019 (in thousands of EUR).

<b>Condensed income statement</b>	
Total operating profit/(loss)	2 874
<b>Condensed balance sheet</b>	
Total assets	120 493
Total equity	-581
Total liabilities	121 074
Total equity and liabilities	120 493
<b>Condensed cash flow statement</b>	
Cash flow from operating activities	6 566
Cash flow from investing activities	-76 120
Cash flow from financing activities	83 471

<sup>1</sup> The historical financial information is derived from the Group's consolidated financial statements for the financial year ended 31 December 2019 and the guarantor Fiven Norge AS' financial statements for the financial year ended 31 December 2018.

The table below sets out a summary of the key financial information extracted from Fiven Norge AS's financial statements for the financial year ended 31 December 2018 (in thousands of NOK). Note that Fiven Norge AS is the only Guarantor with historic financial information published.

<b>Condensed income statement</b>	<b>2018</b>	<b>2017</b>
Total operating profit/(loss)	52 982	51 044
<b>Condensed balance sheet</b>		
Total assets	439 816	430 446
Total equity	124 893	86 677
Total liabilities	314 923	343 769
Total equity and liabilities	439 816	430 446
<b>Condensed cash flow statement</b>		
Cash flow from operating activities	41 732	40 950
Cash flow from investing activities	-16 779	- 31 963
Cash flow from financing activities	-24 647	- 8 990

#### **Audit qualifications**

There are no qualifications in the audit reports pertaining to the Group's consolidated financial statements for the financial year ended 31 December 2019.

#### **What are the key risks that are specific to the Issuer?**

##### **Risks relating to environment, health and safety**

The Group's business includes many risks associated with the running of industrial factories. The Group's high consumption of petcoke and electricity in the production of silicon carbide has e.g. led to the exposure against carbon emission and legislation costs. The Group is also exposed to other risks of liability under e.g. environmental laws (including but not limited to emissions limits) and regulations due to, inter alia, the production, storage, transportation, disposal and sale of materials that can cause contamination or personal injury. Compliance with environmental laws involves cost of manufacturing, cost of registration/approval requirements, costs of transportation and storage of raw materials and finished products, as well as costs of storage and disposal of waste. There is a risk that the Group may not be able to retain or obtain renewed environmental permits, licenses and certifications which it requires to conduct its business. Compliance with environmental laws and liability arising in connection with any personal injuries or damages and damages to the environment may have a material negative effect on the Group's result and financial position.

##### **Risks relating to the geography of the Group**

Adverse changes in the general economic conditions and business environment in the countries in which the Group operates, e.g. Norway, Belgium, Brazil and Venezuela, may have an adverse effect on the Group's business, financial position and results of operations. Under 2019, approximately 90 per cent. of the Group's crude capacity was produced in South America and any changes in the general economic conditions and business environment in the region could have a significant adverse effect on the Group's business and results of operations. Furthermore, since the Group is present in a number of geographic markets, the Group is also subject to external risks, such as political risks in e.g. Venezuela and Brazil.

##### **Risks relating to changes in prices of raw material and silicon carbide**

Costs of relevant raw materials that the Group regularly purchases, such as petcoke and sand, affect the Group's cost of production. The price and availability of petcoke are subject to global crude oil supply and demand, foreign exchange market fluctuations, changes in relation to OPEC and other crude oil producers, and the state of environmental legislation. Demand for silicon carbide is essential for the Group's business and is a product that is traded worldwide. Demand for silicon carbide and related products is ordinarily affected by numerous factors such as the state of the economy, growth, interest rates, raw material costs, and other factors. Adverse changes

in the general economic conditions and business environment, such as a global downturn, may result in decreased demand for silicon carbide, which could lead to decreased demand for the Group's products and/or increased pressure on prices and have an adverse effect on the Group's business, financial position and results of operations. The Group is especially exposed to historically cyclical sectors such as construction and automotive, where a global downturn in the economy affecting these specific sectors can have a material negative effect on the Group's business, result and financial position. There is a risk that future fluctuations in the price of relevant raw materials, such as petcoke and sand, and products such as silicon carbide may cause the Group to adjust the prices of its products, which may result in a decline in demand for the Group's products, and/or that the Group will have to lower its prices, which would decrease its profit margins. Furthermore, the Group may not be able to fully transfer increased costs to its customers. Consequently, any material increase in the prices of relevant raw materials may have an adverse effect on the Group's earnings and result.

**Risks relating to current and new legislation**

The Group is a worldwide producer of silicon carbide grains and powders and ceramic applications and is active in both Europe, Asia and the Americas. The highly international presence in connection with the Group's diversified end markets for their products (construction, engineering, automotive, electronics, marine, aerospace and defense, healthcare, and energy) leads to that the Group is affected by various legislations, regulations and standards, including, *inter alia*, tax regulations, employment legislation, environmental regulations and product liability regulations. Amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions regarding safety and health or environment, or a development to a stricter implementation and application by the authorities of existing laws and regulations may therefore have several negative implications for the Group considering the multitude of laws, regulations and standard the Group has to be compliant with due to their international presence. Such changes may require the Group to make further investments, with increased and unexpected costs and other commitments for the Group as a result. Such changes may also imply that some of the Group's products and applications may become obsolete and could also obstruct or in other ways impose restrictions on the Group's business operations. There is a risk that new interpretations and changes in the application of existing laws and regulations in combination with new laws and regulations will have an adverse effect on the Group, and that it will become more burdensome and costlier for the Group to monitor legal aspects, which would have an adverse effect on the Group's business.

**Counterparty risk and dependency on Saint-Gobain and other customers**

Counterparty risk is the risk that the counterparty of a contract will not live up to its contractual obligations. The Group only conducts business-to-business and is therefore exposed to counterparty risk in all of its contracts. Should any of the Group's customers' or suppliers' financial position deteriorate, they may not be able to meet their obligations under the agreements which could have a material adverse effect on the Group's business, earnings and financial position. The Group has historically been dependent on Saint-Gobain and approximately 15 per cent. of the Group's net sales during 2019 can be derived from its sales to Saint-Gobain. Following the Acquisition, the Group has instead entered into a supply agreement with Saint-Gobain that has made Saint-Gobain one of the Group's most important customers.

**Currency risk**

The Group has a multi-national business model and the reporting currency for the Issuer is Euro (EUR). The Group's primary operations and cash flows are typically denominated in NOK, Brazilian Real (BRL), US dollar (USD) and Euro (EUR). Therefore, the Group, having a multi-national business model, is exposed to currency risk, i.e. there is a risk that exchange rate fluctuations will have a highly significant negative effect on the Group's business, earnings or financial position when purchases are made in different currencies and in ways unrelated to the operations of the Group.

**Borrowing by the Group and interest risk**

The Group has incurred, 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 level of market interest also affects the value of the Bonds, as they will bear interest at a floating rate of 3 month EURIBOR plus a margin of 7.75 per cent. *per annum*. 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 financial position.

**Risks relating to the dependency of key employees**

The Group is dependent on the knowledge, experience and commitment of its employees. The Group is in particular dependent on key employees at management level, for instance the chief executive officer and the chief financial officer, as well as within the research and development department. If the Group is unable to attract, hire and retain key employees, it could have a material adverse effect on the Group's business.

**The Issuer is dependent on its subsidiaries**

The Issuer's operations are focused on managing its subsidiaries and a significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries Fiven Norge AS and Carbetto de Silicio Sika Brasil Ltda. functions as key production centres in respect of the European and South American markets. The Issuer is therefore dependent upon Fiven Norge AS and Carbetto de Silicio Sika Brasil Ltda. in order for its business operations to function from a production point of view and, by extension, its whole business operations. 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. Should the Issuer not receive sufficient income from its subsidiaries, by way of dividends or value transfer from one or more subsidiary, 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.

## Key information on the securities

### What are the main features of the securities?

**Governing law, type, class and ISIN**

The Terms and Conditions of the Bonds are governed by Swedish law. The Bonds are senior secured floating rate bonds. There is no offering to purchase, subscribe for or sell the Bonds with ISIN SE0012453850.

**Currency, denomination, par value, the number of securities issued and the term of the securities**

The Initial Nominal Amount of each Bond is EUR 1,000 and the minimum permissible investment in the Initial Bond Issue is EUR 100,000. The Bonds are denominated in EUR. Interest will be payable in EUR and any amount payable on redemption will be in EUR. The Issuer has issued a total of 56,500 bonds in an initial aggregate amount of EUR 56,500,000 on the First Issue date of 5 April 2019, and may also issue Subsequent Bonds up to an aggregate principal amount of EUR 100,000,000, pursuant to the Terms and Conditions.

**Payout policy**

The Bonds Interest Payment Dates are quarterly in arrears commencing on 5 July 2019 and thereafter on each 5 January, 5 April, 5 July and 5 October. The last interest payment date shall be the Final Maturity Date of 5 April 2022 (or such earlier date on which the Bonds are redeemed in full). The Bonds carry an interest of three (3) month EURIBOR (with a floor of zero per cent.) plus margin of 7.75 per cent. *per annum*.

**Ranking**

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and (i) will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law and (ii) are guaranteed by the Guarantors.

**Rights attached to the securities**

Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance

Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent.

The 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.

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

The Issuer and any Group Company may at any time, subject to applicable law, and at any price purchase Bonds. Bonds held by the Issuer or any Group Company may at the Issuer's or such Group Company's discretion be retained or sold, but not cancelled.

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

The Issuer may redeem all, but not only some, of the outstanding Bonds in full:

- a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.875 per cent. of the Nominal Amount plus the remaining interest payments up to, but excluding, the First Call Date, up to and including the First Call Date together with accrued but unpaid Interest;
- b) any time from and including the First Call Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- c) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.325 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 100.775 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- e) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.000 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

#### **Voluntary partial redemption**

The Issuer may redeem the Bonds on one occasion per calendar year (without carry-back or carry forward) in a maximum aggregate amount not exceeding 5 per cent. of the total Initial Nominal Amount, pursuant to the Terms and Conditions.

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

Upon the occurrence of a Change of Control Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event or Delisting Event, pursuant to the Terms and Conditions.

#### **Equity listing event**

The Issuer may, in connection with an equity listing event, repay up to 30 per cent. of the total nominal amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the outstanding nominal amount of each Bond pro rata. The repayment must occur on an Interest Payment Date within 180 days after such equity listing event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering. Such partial repayment shall be equal to the repaid

percentage of the outstanding nominal amount (rounded down to the nearest EUR 100) plus a premium on the repaid amount.

### Where will the securities be traded?

The Initial Bonds will be admitted to trading at Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

### Is there a guarantee attached to the securities?

#### Nature and scope of the guarantee

Each guarantor has irrevocably and unconditionally, subject to any limitations as set out in the guarantee agreement, as principal obligor (Sw. *proprieborgen*), guaranteed to each Secured Party punctual payment, at the place and in the currency in which an amount is expressed to be payable, and at the performance by each Group Company of all that Group Company's obligation under the Finance Documents.

#### Guarantors

The Issuer's obligations under the Bonds are jointly and severally guaranteed by each of the following entities, of which the Issuer is the sole shareholder (jointly the "**Guarantors**"):

- Fiven Norge AS, a limited liability company incorporated under the laws of Norway, registered with the Norwegian Companies Registration Office, reg. no. 914 810 574, its address is Postboks 113, 4792 Lillesand, Norway and has no LEI Code;
- Matériaux Céramiques S.A., a limited liability company incorporated under the laws of Belgium, it is registered with the Crossroads Bank for Enterprises, with reg. no. 0723.746.692, having its registered address at Route de Villers 19, 4162 Anthistes and has no LEI Code;
- Carбето de Silicio Sika Brasil Ltda., a limited liability company incorporated under the laws of the Federative Republic of Brazil with its registered office in Barbacena, headquartered in the City of Barbacena, State of Minas Gerais, at Rodovia BR- 265, s/n, km 208, Grogotó, CEP 36.202-630, it is enrolled with the CNPJ/ME under number 32.870.697/0001-48 and has no LEI Code; and
- Fiven GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, having its corporate seat in Köln and its business address is Gertrudenstr. 30-36, 50667 Köln, it is registered in the commercial register under HRB 100 315 and has no LEI Code.

### Material risk factors pertaining to the Guarantors

#### Risks relating to the operations in Brazil

The Group's operations in Brazil are subject to detailed regulation and complicated rules regarding, *inter alia*, tax, labor, financing, the environment and other regulatory requirements. In addition, Brazil has in recent years experienced national turbulence, e.g. with regard to nation-wide bribery investigations of both officials and companies, as well as general political instability. The business climate constitutes a challenge for foreign and domestic companies operating in Brazil. The complexity of the legislative framework, and the general uncertainty in the country, due to political and economic instability, may expose the Group to risks such as legal uncertainties, increased costs in the compliance work and a lack of foreseeability, which could have a material adverse effect on the Group's business and financial position. Although the Group's obligations towards the bondholders under the Bonds are secured, there is a risk that the proceeds of any enforcement sale of the pledged shares or that the sums of money standing on the pledged debt service account will not be sufficient to satisfy all amounts owed to the bondholders.

### What are the key risks that are specific to the securities?

#### Risks relating to transaction security and guarantees

The Group's obligations towards the bondholders under the Bonds are secured by transaction security and guarantees, but there is a risk that the proceeds of any enforcement sale of the pledged shares or that the sums of money standing on the pledged debt service account or the guarantees will not be sufficient to satisfy all amounts owed to the bondholders. Furthermore, according to the Terms and

Conditions the Issuer may issue subsequent Bonds and the holders of such Bonds will become bondholders entitled to share the security and guarantees granted to the existing bondholders. There is a risk that the issue of subsequent Bonds will have a negative effect on the value of the security and guarantees granted to the bondholders.

Also, if a pledged subsidiary is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, there is a risk that the secured assets would then have limited value because all of the pledged subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for bondholders to claim. As a result, there is a risk that bondholders will not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, there is a risk that the value of the secured assets will decline over time.

There is further a risk that the transaction security and the guarantees may be limited in value, *inter alia*, to avoid a breach of the corporate benefit requirement. Furthermore, the transaction security will be subject to certain limitations relating to financial assistance in the relevant jurisdictions.

Lastly, there is a risk that the transaction security and guarantees granted will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent and/or could be unenforceable or that enforcement of the security or the guarantees could be delayed (for instance due to inability to sell the security assets in a timely and efficient manner) according to Swedish law, Norwegian law, Brazilian law, German law, Dutch law or any other applicable laws. Should security or guarantees 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.

#### **Put options**

The Bonds are subject to prepayment at the option of each bondholder (put options). There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which would have a significant negative effect on the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and have a significant negative effect on all bondholders and not only those that choose to exercise the option.

#### **Risks related to early redemption and partial redemption of the Bonds**

The Issuer has the possibility to redeem all outstanding Bonds before its final redemption date. Further, the Issuer have a right to once a year redeem Bonds in an aggregate amount not exceeding 5% of the initial nominal amount of the Bonds by way of reducing the outstanding nominal amount of each Bond *pro rata*. If the Bonds are redeemed before its final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds. It is possible that the Issuer, in the event of a mandatory prepayment, will not have sufficient funds to carry out the required redemption of Bonds. It is, however, possible that the Issuer, in the event of a mandatory prepayment, will not have sufficient funds to carry out the required redemption of Bonds.

### **Key information on the admission to trading on a regulated market**

#### **Under which conditions and timetable can I invest in this security?**

##### **Expected timetable for the offering**

Not applicable. This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire the Bonds.

##### **Details of the admission to trading on Nasdaq Stockholm**

This Prospectus has been prepared for the admission to trading of the Initial Bonds on the corporate bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.

**Listing costs** The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 600,000.

**Expenses charged to the Bondholders by the Issuer** No costs will be borne by the Bondholders.

### **Why is this Prospectus being produced?**

**Reason for the admission to trading on a regulated market** This Prospectus has been prepared to enable the Initial Bonds to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) which is a requirement from the Bondholders and as set out in the Terms and Conditions.

**Use and net amount of proceeds** The net amount of proceeds from the Initial Bond Issue is EUR 56,500,000 and the Issuer has used or will use the proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer, to (i) contribute to financing the acquisition of the Target Group, (ii) finance Transaction Costs and (iii) finance general corporate purposes of the Group.

**Material conflicts** The Sole Bookrunner and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## RISK FACTORS

*Risk factors deemed to be of importance for the Group's business and future development and risks relating to the Bonds are described below. The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as the major part of the business operations in the Group are conducted by the Guarantors and the Issuer's other subsidiaries. The materiality of the risk factors are disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

### RISKS RELATING TO THE GROUP

#### Risks related to production and operation

*Medium level risk*

##### **Risks relating to environment, health and safety**

The Group's business includes many risks associated with the running of industrial factories. The Group's high consumption of petcoke and electricity in the production of silicon carbide has e.g. led to the exposure against carbon emission and legislation costs. The Group is also exposed to other risks of liability under e.g. environmental laws (including but not limited to emissions limits) and regulations due to, *inter alia*, the production, storage, transportation, disposal and sale of materials that can cause contamination or personal injury. Compliance with environmental laws involves cost of manufacturing, cost of registration/approval requirements, costs of transportation and storage of raw materials and finished products, as well as costs of storage and disposal of waste. There is a risk that the Group may not be able to retain or obtain renewed environmental permits, licenses and certifications which it requires to conduct its business. Consequently, there is a risk that the Group will e.g. incur additional investment costs and not be able to re-allocate its production if production would have to be shifted or moved to different locations. The Group may furthermore incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs for violations arising under such laws. In addition, the discovery of contamination of for example soil and groundwater arising from historical industrial operations at some of the Group's former and present production or processing sites may expose the Group to clean-up or after-treatment obligations and other damages. Compliance with environmental laws and liability arising in connection with any personal injuries or damages and damages to the environment may have a material negative effect on the Group's result and financial position.

*Low level risks*

##### **Risks relating to energy supply**

The production of silicon carbide is an energy intensive process. The Group's ability to produce silicon carbide depends on the availability and timely supply of electricity from external suppliers. Inability to maintain an electricity supply or changes in market supply may have adverse consequences for the production and processing of silicon carbide, which in turn may have negative consequences for e.g. customer relations, resulting in an adverse effect on the Group's net sales, earnings and financial position.

Prices of electricity, directly affect the costs of the Group's production of silicon carbide, and there is a risk that future fluctuations, nationally or globally, in the price of electricity may cause the Group to adjust the prices of its products, which may result in a decline in demand for the Group's products,

and/or the Group having to lower its prices, which would decrease its profit margins. Furthermore, the Group may not be able to effectively transfer increased costs of electricity to its customers. There is also a risk that competitors may be able to more effectively adjust to volatility in electricity prices or utilize cheaper energy sources for their production, thereby increasing their market shares. Consequently, any material increase in the price of energy sources may have an adverse effect on the Group's earnings and result of operation.

#### **Risks relating to changes in prices of raw material and silicon carbide**

Costs of relevant raw materials that the Group regularly purchases, such as petcoke and sand, affect the Group's cost of production. The price and availability of petcoke are subject to global crude oil supply and demand, foreign exchange market fluctuations, changes in relation to OPEC and other crude oil producers, and the state of environmental legislation. Demand for silicon carbide is essential for the Group's business and is a product that is traded worldwide. Demand for silicon carbide and related products is ordinarily affected by numerous factors such as the state of the economy, growth, interest rates, raw material costs, and other factors. Adverse changes in the general economic conditions and business environment, such as a global downturn, may result in decreased demand for silicon carbide, which could lead to decreased demand for the Group's products and/or increased pressure on prices and have an adverse effect on the Group's business, financial position and results of operations. The Group is especially exposed to historically cyclical sectors such as construction and automotive, where a global downturn in the economy affecting these specific sectors can have a material negative effect on the Group's earnings and result.

There is a risk that future fluctuations in the price of relevant raw materials, such as petcoke and sand, and products such as silicon carbide may cause the Group to adjust the prices of its products, which may result in a decline in demand for the Group's products, and/or that the Group will have to lower its prices, which would decrease its profit margins. Furthermore, the Group may not be able to fully transfer increased costs to its customers. Consequently, any material increase in the prices of relevant raw materials may have an adverse effect on the Group's net sales and earnings.

#### **Risks relating to production and processing**

The Group has several production and processing facilities in Europe and South America. If the Group's production and processing facilities or the equipment therein would be damaged, for example as a result of fire, or if any of the facilities would have to close, the Group may suffer losses and delays in delivery, which in turn could adversely affect the Group's business, financial condition and results of operations. An interruption or a disturbance – such as a breakdown, a labor dispute or a natural disaster – at any stage in the process may also have a major impact on the Group's ability to fulfil its obligations to its customers in a timely manner, or at all. A comprehensive and lasting stop in production may have a significant effect on the Group's ability to produce or distribute relevant products. Further, the Group may have to pay damages or liquidated damages pursuant to its customer agreements in case of late delivery of the products. Such payments may not be covered by the Group's insurances, or not fully covered, resulting in a cost for the Group. Consequently, there is a risk that interruption, disturbance or damages to production facilities or distribution hubs will have an adverse effect on the Group's business and financial position. There is also a risk that production sites from which the Group currently purchases or in the future might purchase raw material, as well as the possible future opening of new production sites and/or re-allocation of existing production sites, may lead to increased costs and hence have an adverse effect on the Group's business and financial position.

#### **Risks relating to research and development**

The Group's growth is dependent upon its ability to develop new products and services and render such products and services successful within existing and new market segments. Further, the Group must also be able to improve its existing products in order to stay competitive and to avoid losing

market share to competitors. There is a risk that the Group will be unsuccessful in this, which could have an adverse effect on the Group's business. Any development of substitute materials to silicon carbide available for e.g. semi-conductors may also risk threatening the Group's business. The Group is currently developing its product offering. Research and development efforts in respect of new products are costly and the Group did approximately spend EUR 2,400,000 on research and development during 2019. Research and development of new products always entails a risk of unsuccessful commercialization. In addition, there is a risk that the Group will not be successful in its attempts to preserve and develop its product offering. If the Group is not successful in the aforementioned fields, this may have an adverse effect on the Group's business and financial position as well as future prospects and earnings.

#### **Risks relating to intellectual property rights**

The Group is actively working to protect its brands (e.g. SIKA), names and domain names in the jurisdictions in which the Group operates. If the Group's protection of its trademarks and names is not sufficient or if the Group does infringe third party intellectual property rights, this may result in an adverse effect on the Group's net sales and financial position.

Following the Acquisition, the Group has made certain changes to its marketing of both its products in relation to brands and to its trademarks in relation to the business, which has exposed the Group to the risk of lost market appeal. A decline in the market appeal of the Group (including its brands and trademarks) may derive from e.g. negative publicity concerning the brands (whether or not it is justifiable) and a decline in market recognition and/or confidence. There is a risk that the Group fails to build and maintain its brand and trademark perception, resulting in adverse effects on the Group's results of operations.

#### **Risks relating to the markets in which the Group operates**

##### *Medium level risks*

#### **Risks relating to the geography of the Group**

Adverse changes in the general economic conditions and business environment in the countries in which the Group operates, e.g. Norway, Belgium, Brazil and Venezuela, may have an adverse effect on the Group's business, financial position and results of operations. Under 2019, approximately 90 per cent. of the Group's crude capacity was produced in South America and any changes in the general economic conditions and business environment in the region could have a significant adverse effect on the Group's business and results of operations.

Furthermore, since the Group is present in a number of geographic markets, the Group is also subject to external risks, such as political risks in e.g. Venezuela and Brazil. There is a risk that some of the countries in which the Group operates or where the Group's suppliers, customers or end-customers are present and which are subject to greater political, economic and social uncertainty, will be subject to sanctions regulations, such as trade restrictions. Such events could have a negative impact on the Group's business, earnings, financial position and future prospects. In addition, the Group is required to spend time and resources to monitor and ensure that the Group is in compliance with sanctions, regulations and the political and economic situation in the various countries in which the Group operates, something that could negatively affect the Group's financial result and operations. Furthermore, demand for the Group's products and services is subject to changes in end-customers' investments plans. Should customers' investment patterns materially change, due to an economic or political situation in a country, industry or region, the Group's ability to sell its products and services in such areas may be negatively affected.

### **Risks relating to the operations in Venezuela**

The Group operates in Venezuela, a country which is currently experiencing national turbulence with regard to nation-wide economic crisis with e.g. hyperinflation, devaluation or depreciation of the currency, expropriation, as well as general political instability. The business climate constitutes a challenge for foreign and domestic companies operating in Venezuela. The general uncertainty in the country, due to the political instability, exposes the Group to risks such as legal uncertainties and a lack of foreseeability, which could have a material adverse effect on the Group's business, earnings and financial position. If the politico-economic situation worsens, it could e.g. lead to the closure or nationalization of the Group's crude production in Venezuela. The Group's electricity supply in Venezuela is further relying on an electricity contract with a state-owned company, and there is a risk that such contract is not extended in the future or that a new or amended contract will be agreed upon at significantly higher prices than currently estimated. If any of these risks should materialize it could have a negative effect on the Group's business and financial position.

### **Risks relating to the operations in Brazil**

The Group's operations in Brazil are subject to detailed regulation and complicated rules regarding, *inter alia*, tax, labor, financing, the environment and other regulatory requirements. In addition, Brazil has in recent years experienced national turbulence, e.g. with regard to nation-wide bribery investigations of both officials and companies, as well as general political instability. The business climate constitutes a challenge for foreign and domestic companies operating in Brazil. The complexity of the legislative framework, and the general uncertainty in the country, due to political and economic instability, may expose the Group to risks such as legal uncertainties, increased costs in the compliance work and a lack of foreseeability, which could have a material adverse effect on the Group's business and financial position.

*Low level risk*

### **Risks relating to export restrictions and prohibitions**

There is a risk that the Group in the future is prohibited or restricted from delivering its products to certain countries that are subject to export prohibitions and sanctions. Should the Group fail to adhere to these prohibitions or restrictions the Group may be forced to pay fines, and potentially be liable for further criminal or civil sanctions. Should any of the risks described above materialize, there is a risk that this will have an adverse effect on the Group's net sales and earnings.

### **Risks relating to changes in laws and regulations**

*Medium level risk*

#### **Risks relating to current and new legislation**

The Group is a worldwide producer of silicon carbide grains and powders and ceramic applications and is active in both Europe, Asia and the Americas. The highly international presence in connection with the Group's diversified end markets for their products (construction, engineering, automotive, electronics, marine, aerospace and defense, healthcare, and energy) leads to that the Group is affected by various legislations, regulations and standards, including, *inter alia*, tax regulations, employment legislation, environmental regulations and product liability regulations. Amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions regarding safety and health or environment, or a development to a stricter implementation and application by the authorities of existing laws and regulations may therefore have several negative implications for the Group considering the multitude of laws, regulations and standard the Group has to be compliant with due to their international presence. Such changes may require the Group to make further investments, with increased and unexpected costs and other commitments for the Group as a result. Such changes may also imply that some of the Group's products and applications

may become obsolete and could also obstruct or in other ways impose restrictions on the Group's business operations.

There is a risk that new interpretations and changes in the application of existing laws and regulations in combination with new laws and regulations will have an adverse effect on the Group, and that it will become more burdensome and costlier for the Group to monitor legal aspects, which would have an adverse effect on the Group's business.

#### *Low level risks*

##### **Risks relating to permits, licenses or certifications required for manufacturing**

The Group's production of silicon carbide requires certain permits. The Group may need to obtain new, prolonged or amended, permits, licenses and/or certifications in the relevant jurisdictions in the future. The polycyclic aromatic hydrocarbon and heavy metal content in storm water is an ongoing permitting concern in Norway, as well as odour pollution for local residents which is a concern for the new environmental permit that is to be obtained in 2020. There is a risk that regulators in relevant jurisdictions might impose stricter rules and regulations on companies to obtain and maintain relevant permits, licences and certifications. There is furthermore a risk that renewal of existing and application for new permits, licenses or certifications will be time-consuming and divert management's attention from the core business. If the Group is unable to obtain or retain necessary permits, licenses or certifications it will have a material adverse effect on the Group's business.

##### **Risks relating to the automotive industry**

Approximately 30 per cent. of the Group's sales is attributed to the automotive industry. The Group sells, e.g. powders for the production of diesel particulate filters to the automotive industry which are used in the aftertreatment of emissions of diesel engines. There are significant governmental incentives and consumer pressure to increase the use of alternative energy sources, such as green energy. A number of automotive manufacturers are developing more fuel-efficient engines, hybrid engines and alternative clean power systems using fuel cells or clean burning gaseous fuels. Hence, there is a risk that the production volume of diesel engines for passenger cars will decrease in the future which will have an adverse effect on the Group's sales and earnings.

##### **Withholding tax**

On the date hereof, the Issuer is not required to make any withholdings or other deductions in Norway on any payments to be made by it under the Terms and Conditions or the Bonds and the Issuer is not required under the Terms and Conditions to compensate the bondholders for any future withholding tax deducted. Changes to law may occur, possibly with retroactive effect, which may require the Issuer to make withholdings or other deductions in Norway from payments to be made by it under the Terms and Conditions or the Bonds. The Norwegian government issued a white paper in October 2015 describing a tax reform for the period 2016-2018 which includes the possible introduction of withholding tax on interest payments from Norway. The contents and impact of such legislation is currently not clear, but the Norwegian government stated on 7 October 2019 that a detailed proposal regarding withholding tax on interest payments is intended to be submitted for public consultation in 2019 and that new legislation will be proposed during 2020.

There is a risk that the new rules on withholding or deductions are introduced, which may, unless any mitigating remedies are simultaneously introduced, lead to an increased effective tax rate for the bondholders on any payments under the Bonds and could ultimately have a negative impact on the market value of the Bonds and could result in bondholders having difficulties to sell the Bonds (at all or at reasonable terms).

Holders of Bonds should consult their own advisers regarding the availability of treaty benefits in respect of payments under the Bonds, including the possibility of effectively claiming a refund of withholding tax if new rules are introduced.

## **Risks relating to customers, suppliers and competition**

### *Medium level risk*

#### **Counterparty risk and dependency on Saint-Gobain and other customers**

Counterparty risk is the risk that the counterparty of a contract will not live up to its contractual obligations. The Group only conducts business-to-business and is therefore exposed to counterparty risk in all of its contracts. Should any of the Group's customers' or suppliers' financial position deteriorate, they may not be able to meet their obligations under the agreements which could have a material adverse effect on the Group's business, earnings and financial position.

The Group has historically been dependent on Saint-Gobain and approximately 15 per cent. of the Group's net sales during 2019 can be derived from its sales to Saint-Gobain. Following the Acquisition, the Group has instead entered into a supply agreement with Saint-Gobain that has made Saint-Gobain one of the Group's most important customers. Should the financial position of or the commercial relationship with Saint-Gobain deteriorate or should the Group be unable to attract new customers, i.e. unsuccessfully diversify its customer base, there is a risk that the Group might be negatively affected due to a decrease in its overall sales volume, which could lead to a negative effect on the Group's business and financial position.

### *Low level risks*

#### **Risks relating to the dependency of suppliers**

The Group's ability to serve its customers depends on the availability and timely supply of products, such as petcoke, from suppliers. The pan-Atlantic supply chain provides the Group with sources of crude. Inability to maintain the pan-Atlantic supply chain and a logistic network for deliveries or other problems in supplies, such as delays, may have adverse consequences for customer relations and access to valuable markets, resulting in an adverse effect on the Group's net sales and earnings.

#### **Risks relating to competitors**

The Group has a number of competitors involved in the production and marketing of silicon carbide in general, across different product categories, segments, and geographic markets. Even though the Group has a strong position in the global market, it is possible that competitors will grow to be stronger in the future, for example, by means of consolidation in the market. There is a risk that Chinese producers might adapt quicker than expected to new legislation, such as the legislation resulting from the China Blue Sky initiative, and thereby enter global and regional markets in greater volumes, resulting in pricing pressure.

Since the production route for crude and processed grades has low barriers to entry, the Group may also encounter future competitors against which the Group may be unable to compete successfully. There is a risk that such an increase in competition will lead to increased costs for the Group with regards to seeking out new customers, as well as retaining current customers. The Group's possibility to compete also depends upon the Group's ability to anticipate future market changes and trends and to rapidly react to existing and future market needs. If the Group fails to respond to competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Group's business and financial position.

## Risks relating to acquisitions

### *Low level risks*

#### **Risks related to future acquisitions and divestments**

From time to time, the Group evaluates potential acquisitions and divestments that are in line with the Group's strategic objectives. The Group has done that in the near past and may also do that in the future. The Group for instance acquired an integrated plant in Mudanjiang, China in 2005, acquired 50 per cent. in a crude plant in Paraguay in 2016 and acquired the Issuer (then Fiven AS), Matériaux Céramiques S.A., Carбето de Silicio Sika Brasil Ltda and Fiven GmbH in the end of 2018. Future acquisitions may include undertakings by the Group to pay additional purchase price to the sellers. Such additional payments may have adverse effects on the financial position of the Issuer. There is a risk that future divestment or acquisition activities will present certain financial, managerial and operational risks, including difficulties when separating or integrating businesses from existing operations and challenges presented by divestments and acquisitions which do not achieve levels of sales and profitability sufficient to justify the acquisition/divestment made by the Group. If future divestments/acquisitions are not successfully separated/integrated, there is a risk that the Group's business, financial position and result of operation will be negatively affected. Also, there is a risk that future divestments/acquisitions will result in dilutive issuances of the Group's equity securities, the incurrance of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which will have a negative effect on the Group's business and result of operation.

#### **Risks relating to the Acquisition and contractual protection**

The share purchase agreement regarding the Acquisition (the "SPA") gave the Issuer contractual warranty and indemnity protection from the seller relating to, *inter alia*, compliance with environmental laws, use or release of hazardous materials, environmental permits, environmental litigation, remediation measures, occupational disease and exposure of employees to hazardous materials and potential long-term health and decommissioning liabilities. There is a risk that the representations and warranties under the SPA will not sufficiently cover all outstanding claims that may arise due to them, *inter alia*, falling outside of the scope of the representations and warranties, being raised after the warranty expiration period or exceeding the maximum payable warranty amount. There is further a risk that the seller will not have the ability or willingness to make payments due to any potential claim that the Issuer makes under the SPA. Should any of these risks materialise it could have a negative effect on the Group's business and financial position.

## Financial risks

### *Medium level risks*

#### **Currency risk**

The Group has a multi-national business model and the reporting currency for the Issuer is Euro (EUR). The Group's primary operations and cash flows are typically denominated in NOK, Brazilian Real (BRL), US dollars (USD) and Euro (EUR). The exchange rates between some of the relevant currencies have fluctuated significantly in recent years and the currencies may in the future fluctuate significantly. Based on the figures in the financial statements of Fiven ASA for the financial year ended 31 December 2019 a foreign exchange sensitivity analysis can be derived, commenting that changes in currency rates for assets and liabilities denominated in foreign currencies different from Fiven ASA's and its subsidiaries' functional currencies, will affect profit and loss. If (i) EUR had weakened/strengthened by 10 per cent. against the functional currencies of Fiven ASA's subsidiaries, with all other variables held constant, the Group's profit would have been EUR 241,000 lower/higher, if (ii) USD had weakened/strengthened by 10 per cent. against the functional currencies of Fiven ASA's subsidiaries,

with all other variables held constant, the Group's profit would have been EUR 595,000 lower/higher, if (iii) BRL had weakened/strengthened by 10 per cent. against the functional currencies of Fiven ASA's subsidiaries, with all other variables held constant, the Group's profit would have been EUR 29,000 lower/higher, if (iv) NOK had weakened/strengthened by 10 per cent. against the functional currencies of Fiven ASA's subsidiaries, with all other variables held constant, the Group's profit would have been EUR 1,101,000 lower/higher and if (v) other revenue and operating currencies had weakened/strengthened by 10 per cent. against the functional currencies of Fiven ASA's subsidiaries, with all other variables held constant, the Group's profit would have been EUR 3,000 lower/higher. If all the Group's main currencies weakened against its functional currencies, the profit before tax would decrease by EUR 1,964,000. Therefore, the Group, having a multi-national business model, is exposed to currency risk, i.e. there is a risk that exchange rate fluctuations will have a highly significant negative effect on the Group's earnings or financial position when purchases are made in different currencies and in ways unrelated to the operations of the Group.

### **Borrowing by the Group and interest risk**

The Group has incurred, 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 level of market interest also affects the value of the Bonds, as they will bear interest at a floating rate of 3 month EURIBOR plus a margin of 7.75 per cent. *per annum*. 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 and financial position.

### **Risks related to internal management**

*Medium level risk*

#### **Risks relating to the dependency of key employees**

The Group is dependent on the knowledge, experience and commitment of its employees. The Group is in particular dependent on key employees at management level, for instance the chief executive officer and the chief financial officer, as well as within the research and development department. The Group's ability to attract, hire and retain qualified employees depends on a number of factors, some of which are beyond the Group's control, including the competitive environment on the local employment markets in which the Group operates. If the Group is unable to attract, hire and retain key employees, it could have a material adverse effect on the Group's business.

### **RISKS RELATING TO THE BONDS**

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

*Medium level risks*

**Majority owner**

Tosca Intermediate Holdings SARL directly controls 100 per cent. of the shares in the Issuer. According to the Terms and Conditions, if a change of control event occurs, the bondholders have a right of prepayment of the Bonds (put option). Following any potential change of control in the Issuer, the Issuer may be controlled by a majority shareholder whose interests 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. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a significant negative effect on the Group's operations, earnings and financial position. There is a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment, see further under Section "*Put options*" below.

**Put options**

The Bonds are subject to prepayment at the option of each bondholder (put options). There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which would have a significant negative effect on the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and have a significant negative effect on all bondholders and not only those that choose to exercise the option.

**Interest rate risks**

The value of the Bonds depends on several factors, one of the most significant being the level of market interest over time. The Bonds bear interest at a floating rate of 3-month EURIBOR plus a margin of 7.75 per cent and the interest rate of the Bonds is determined two business days prior to the first day of each respective interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. Also, the fundamentals of EURIBOR may be subject to changes in the future due to regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). There is a risk that an increase of the general interest rate level will have a significant negative effect on the value of the Bonds. The general interest rate level is to a high degree affected by conditions in Europe and international financial markets and is outside the Group's control.

**Credit risks**

Investors in the Bonds carry a credit risk towards the Issuer and towards the Guarantors. 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 Group's financial position is affected by several factors of which some have been mentioned above. 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.

In addition to the above, there is a risk that the guarantees granted by the Guarantors in respect of the Bonds will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent. Furthermore, guarantors are not restricted from granting any additional guarantees. If the guarantors were to guarantee any other obligations the total amount to be guaranteed would be increased and there is a risk that guarantees granted towards the current bondholders would be impaired.

### **Risks related to early redemption and partial redemption of the Bonds**

The Issuer has the possibility to redeem all outstanding Bonds before its final redemption date. Further, the Issuer have a right to once a year redeem Bonds in an aggregate amount not exceeding 5% of the initial nominal amount of the Bonds by way of reducing the outstanding nominal amount of each Bond *pro rata*. If the Bonds are redeemed before its final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds. It is possible that the Issuer, in the event of a mandatory prepayment, will not have sufficient funds to carry out the required redemption of Bonds.

### **Risks related to transaction security and guarantees**

#### *Medium level risks*

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

The Group's obligations towards the bondholders under the Bonds are secured by transaction security and guarantees, but there is a risk that the proceeds of any enforcement sale of the pledged shares or that the sums of money standing on the pledged debt service account or the guarantees will not be sufficient to satisfy all amounts owed to the bondholders. Furthermore, according to the Terms and Conditions the Issuer may issue subsequent Bonds and the holders of such Bonds will become bondholders entitled to share the security and guarantees granted to the existing bondholders. There is a risk that the issue of subsequent Bonds will have a negative effect on the value of the security and guarantees granted to the bondholders.

Also, if a pledged subsidiary is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, there is a risk that the secured assets would then have limited value because all of the pledged subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for bondholders to claim. As a result, there is a risk that bondholders will not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, there is a risk that the value of the secured assets will decline over time.

There is further a risk that the transaction security and the guarantees may be limited in value, *inter alia*, to avoid a breach of the corporate benefit requirement. Furthermore, the transaction security will be subject to certain limitations relating to financial assistance in the relevant jurisdictions.

Lastly, there is a risk that the transaction security and guarantees granted will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent and/or could be unenforceable or that enforcement of the security or the guarantees could be delayed (for instance due to inability to sell the security assets in a timely and efficient manner) according to Swedish law, Norwegian law, Brazilian law, German law, Dutch law or any other applicable laws. Should security or guarantees 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.

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

#### *Low level risks*

### **No action against the Issuer and bondholders' representation**

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), which would have a negative impact on the bondholders by having a negative impact on an acceleration of the Bonds or other action against the Issuer.

Furthermore, 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 have a negative effect on the legal proceedings. There is also a risk that a Swedish court will not recognise the Agent's right to represent bondholders in court, solely with reference to the Terms and Conditions. Thus, if such a written power of attorney not may obtained from the bondholders, there is a risk that the Agent will not be able to represent the bondholders in court, which would have a negative impact on the bondholders' possibility to have a legal matter regarding the bonds tried by a court.

### **The rights of bondholders depend on 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 (being on the first issue date Nordic Trustee & Agency AB (publ)) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent has, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the bondholders is subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. Hence, there is a risk that the bondholders will encounter difficulties with holding the Agent accountable or receive damages due to any actions or omissions to act by the Agent.

### **Bondholders' meetings**

The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently from the required majority 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 or decision to accept a change of the transaction security and/or guarantees. Consequently, there is a risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

## **Risks related to the financial standing of the Group**

### *Medium level risks*

#### **The Issuer is dependent on its subsidiaries**

The Issuer's operations are focused on managing its subsidiaries and a significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries Fiven Norge AS and Carbetto de Silicio Sika Brasil Ltda. functions as key production centres in respect of the European and South American markets. The Issuer is therefore dependent upon Fiven Norge AS and Carbetto de Silicio Sika Brasil Ltda. in order for its business operations to function from a production point of view and, by

extension, its whole business operations. 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, 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, 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.

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.

**Refinancing risk**

There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. As of the date of the Prospectus, the Issuer has no outstanding material external financing arrangement except the Bonds and a factoring arrangement with a factoring provider. The Issuer's ability to successfully refinance the Bonds and any external financing arrangement that the Issuer may enter into in the future depends on, among other things, 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 significant negative effect on the Group's business, financial position and result of operation and on the bondholders' recovery under the Bonds.

## THE BONDS IN BRIEF

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

Bonds issued under this Prospectus have three-month EURIBOR plus 7.75 per cent. as interest rate. EURIBOR constitutes a benchmark according to the Benchmark Regulation. As at the date of this Prospectus, only the administrator of EURIBOR - the European Money Markets Institute (the "**EMMI**") - appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of the Benchmark Regulation.

<b>Issuer</b> .....	Five ASA, with reg. no. 922 224 129.
<b>Bonds Offered</b> .....	The aggregate amount of the bond loan will be an amount of up to a maximum of EUR 100,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of EUR 56,500,000 had been issued on the First Issue Date (the " <b>Initial Bond Issue</b> ").
<b>Number of Bonds</b> .....	Maximum of 100,000 Bonds. At the date of this Prospectus 56,500 Bonds had been issued on the First Issue Date.
<b>ISIN</b> .....	SE0012453850.
<b>First Issue Date</b> .....	5 April 2019.
<b>Issue Price</b> .....	All Bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Initial Nominal Amount.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a floating rate of three-month EURIBOR plus 7.75 per cent. <i>per annum</i> .
<b>Use of benchmark</b> .....	Interest payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, only the administrator of EURIBOR – the EMMI - appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation.

**Interest Payment Dates .....** 5 January, 5 April, 5 July and 5 October of each year commencing on 5 July 2019. Interest will accrue from (but excluding) the First Issue Date.

**Initial Nominal Amount .....** The Bonds will have an initial nominal amount of EUR 1,000 and the minimum permissible investment in the Initial Bond Issue is EUR 100,000.

**Status of the Bonds .....** The Bonds are denominated in EUR and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- will at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law; and
- are guaranteed by the Guarantors (as defined below).

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

- Fiven Norge AS;
- Matériaux Céramiques S.A.;
- Carбето de Silicio Sika Brasil Ltda.; and
- Fiven GmbH,

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

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

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

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

- ranks senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantee; and
- is effectively subordinated to any existing or future indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness.

The Guarantees are subject to certain limitations under local law.

**Security .....** The Bonds are secured by security interests granted on an equal and rateable first-priority basis over all shares in the Issuer and each Guarantor, floating charges or business mortgages issued in or by each Guarantor incorporated in Europe, insurance policies held by the Issuer and each Guarantor, any real property owned by the Issuer or any Guarantor and any current and future Material Intra-Group Loans. See the definition of "**Transaction Security**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

**Call Option.....** The Issuer has the right to redeem all, but not only some, of the outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary Total Redemption (call option)*) of the Terms and Conditions.

**Voluntary Partial Redemption.....** In accordance with paragraph (a) of Clause 9.4 (*Voluntary Partial Redemption*) of the Terms and Conditions, the Issuer may redeem the Bonds on one occasion per calendar year (without carry-back or carry-forward) in a maximum aggregate amount not exceeding 5 per cent. of the total Initial Nominal Amount.

The repayment per Bond shall be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 100) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period.

**Equity Claw Back**..... In accordance with paragraph (b) of Clause 9.4 (*Voluntary Partial Redemption*) of the Terms and Conditions, the Issuer may on one occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the aggregate Nominal Amount of the Bonds outstanding from time to time, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata.

The repayment must occur on an Interest Payment Date. 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 be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 100) 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) of the Terms and Conditions and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period.

**Call Option Amount** ..... Means:

- (a) any time from and including the First Issue Date to, but excluding, the First Call Date, an amount per Bond equal to 103.875 per cent. of the Nominal Amount plus the remaining interest payments up to, but excluding, the First Call Date, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to and including the First Call Date together with accrued but unpaid Interest;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling 24 months after the First Issue Date, an amount per Bond equal to 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first

Business Day falling 30 months after the First Issue Date, an amount per Bond equal to 102.325 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date, an amount per Bond equal to 100.775 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date, an amount per Bond equal to 100.000 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

**First Call Date**..... The date falling 18 months after the First Issue Date.

**Final Maturity Date** ..... 5 April 2022.

**Change of Control or Delisting**..... Upon the occurrence of a Change of Control Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event or Delisting Event pursuant to Clause 11.1(e) of the Terms and Conditions (after which time period such rights lapse).

**Change of Control Event**..... Means the occurrence of an event or series of events whereby one or more Persons, not being OpenGate Capital Management, LLC (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**Delisting Event**..... Means, following an Equity Listing Event, (i) the delisting of the shares in the Issuer from a Regulated Market or (ii) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (what that Regulated Market is at the same time open for trading).

**Certain Covenants**..... The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
- restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
- limitations on the making of distributions and disposal of assets.

The Terms and Conditions contains the following financial covenants:

- a Distribution Test, pursuant to which the Issuer shall ensure that the Leverage Ratio is not greater than 2.50:1;
- an Incurrence Test, which is met if the Leverage Ratio is less than:
  - A. 3.00:1 during the period from the First Issue Date until (and including) the date falling 18 months from the First Issue Date;
  - B. 2.75:1 during the period from (but excluding) the date falling 18 months from the First Issue Date until (and including) the date falling 24 months of the First Issue Date;
  - C. 2.50:1 during the period from (but excluding) the date falling 24 months of the First Issue Date until (and including) the Final Maturity Date, and

no Event of Default is continuing or would occur upon the incurrence.

- a Maintenance Covenant, pursuant to which the Issuer shall ensure that the Leverage Ratio is not greater than 4.50:1.

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

**Use of Proceeds .....** The proceeds from the Initial Bond Issue shall be used to (i) contribute to financing the acquisition of the Target Group, (ii) finance Transaction Costs and (iii) finance general corporate purposes of the Group.

The proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes of the Group, including capital expenditure and acquisitions.

**Transfer Restrictions .....** 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.

**Listing.....** Application has been made to list the Bonds on Nasdaq Stockholm. The Bonds are listed on the Open Market of the Frankfurt Stock Exchange.

**Agent.....** Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.

**Security Agent .....** Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, or another party replacing it, as Security Agent, in accordance with the Terms and Conditions.

**Issuing Agent .....** Pareto Securities AB, Swedish reg. no. 556206-8956, or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.

**Governing Law of the Bonds** Swedish law.

**Governing Law of the Subordination Agreement....** Swedish law.

**Governing Law of the Guarantee and Adherence Agreement.....** Swedish law.

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

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 21 March 2019, and was subsequently issued by the Issuer on 5 April 2019. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

The validity of this Prospectus will expire twelve (12) months from the date hereof. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

The board of directors of the Company is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

27 March 2020

Fiven ASA

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

### Factoring Arrangement

Fiven AS (now Fiven ASA) as parent company and Saint Gobain Ceramic Material AS (now Fiven Norge AS) as original seller have entered into a master agreement, with Factofrance as factor, dated 5. June 2019 (the "**Factoring Arrangement**"), pursuant to which Factofrance has agreed to fund on a non-recourse basis certain trade receivables of the Group. The Factoring Arrangement has been provided to certain companies within the Group to be applied for general corporate purposes. The parent company may in writing to the factor request additional members of the Group to access the Factoring Arrangement by the execution of a receivables purchase agreement. In addition to the original seller Fiven Norge AS (now Fiven ASA), Matériaux Céramiques SA is now an additional seller.

### Guarantee and Adherence Agreement

The Issuer has entered into a guarantee and adherence agreement with the Security Agent dated 30 April 2019 (the "**Guarantee and Adherence Agreement**"), which the Guarantors have acceded to as guarantors. Pursuant to the terms of the Guarantee and Adherence Agreement the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

- A. the full and punctual payment and performance within applicable grace periods of all present and future obligations and liabilities of the Issuer and the Guarantors, including all payment of principal of, and premium, if any, and interest under the Finance Documents when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer or Guarantors to the Secured Parties;
- B. the full and punctual performance within applicable grace periods of all other obligations and liabilities of the Issuer or Guarantors under the Finance Documents; and
- C. the full and punctual performance of all obligations and liabilities of the Issuer or Guarantors under any Finance Document (as defined in the Terms and Conditions) to which it is a party.

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

The obligations and liabilities under the Guarantee and Adherence Agreement of any Guarantor incorporated, organised or formed, as the case may be, in Norway shall be deemed to have been given only to the extent such guarantee or security interest does not violate Sections 8-7 and 8-10 of the Norwegian Companies Act 1997 (the "**Companies Act**") regulating unlawful financial assistance and other prohibited loans, guarantees and joint and several liability as well as providing of security, and the liability of the relevant Guarantor only applies to the extent permitted by such provisions of the Companies Act. To the extent applicable, the relevant Guarantor also irrevocably waives all its rights under the provisions of the Norwegian Financial Agreements Act of 25 June 1999 no. 46 (not being mandatory provisions), including (without limitation) the rights set out in Sections 62 through 74 of that act.

The obligations and liabilities under the Guarantee and Adherence Agreement of any Guarantor incorporated, organised or formed, as the case may be, in Brazil shall include the express waiver of any benefit such Guarantor may have under Articles 366, 827, 829, 830, 834, 835, 837, 838 and 839 of the Civil Code of Brazil (Law no. 10,406/2002) and Article 794 of the Brazilian Civil Procedure Code (Law No. 13,105/2015). No such waiver shall be construed so as to prejudice any right of the Secured Parties under the Guarantee and Adherence Agreement, which shall be absolute.

Notwithstanding anything to the contrary in any Finance Document, the obligations and liabilities under the Guarantee and Adherence Agreement of any Guarantor incorporated, organized or formed under the laws of Belgium shall be limited to the greater of the following amounts:

- (i) an amount equal to 90% of the greater of: (A) the net assets of the relevant Guarantor calculated on the basis of the last audited annual financial statements available on the date of this Guarantee; and (B) the net assets of the relevant Guarantor calculated on the basis of the last audited annual financial statements available on the date on which the demand is made under this Guarantee (whereby "net assets" has the meaning given to it in article 320, 429 or 617 of the Belgian Companies Code); and
- (ii) the aggregate amount of any proceeds made under the Finance Documents that has been on-lent or otherwise passed on by the Issuer to the relevant Guarantor, which has not been repaid or returned.

#### **Description of German limitation language**

##### **Limitations on the Validity and Enforceability of the Guarantees and the Security Interests**

Guarantees and security interests granted by the German Guarantors which are incorporated and established in Germany in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) ("**GmbH**") are subject to certain provisions of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung—“GmbHG”*). These provisions would also apply to any future Guarantor in the form of a GmbH, or in case of a private limited partnership with a limited liability company as general partner (*Kommanditgesellschaft*) ("**GmbH & Co. KG**") to its general partner. Sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its direct or indirect shareholders, to the extent that the amount of the GmbH's net assets (i.e., assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*); in case of a GmbH & Co. KG, such provisions apply to the general partner which is a GmbH. The granting or enforcement of guarantees and/or security interests by a GmbH or by a GmbH & Co. KG in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable a GmbH or a GmbH & Co. KG to issue guarantees or grant security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice to include "limitation language" in relation to subsidiaries in the legal form of a GmbH or GmbH & Co. KG.

Pursuant to such limitation language, the beneficiaries of the guarantees and security interests agree, subject to certain exemptions, to enforce the guarantees and security interests against the GmbH or the GmbH & Co. KG only to the extent that such enforcement does not result in the GmbH's, or the KG's general partner that is a GmbH, net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Guarantees and security interests provided by a German Guarantor will contain such limitation language and therefore the enforcement of the Guarantees and the security interests is limited in the manner described. This could lead to a situation

in which the respective guarantee or security interest granted by a German Guarantor cannot be enforced at all.

In addition to the limitations resulting from the capital maintenance rules under Sections 30 and 31, the Guarantees and security interests granted by the German Guarantor contain additional provisions limiting the enforcement in the event that the enforcement would result in an illiquidity of the German Guarantor in case such illiquidity triggers liability risks for management.

Sections 30 and 31, and the question of potential liability of management in case the enforcement triggers illiquidity, are subject to evolving case law. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of the German Guarantors which can negatively affect the ability of the Issuer to make payments, of the German Guarantors to make payments on the Guarantees or the enforcement of the security interests granted by the German Guarantors.

In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding “destructive interference” (*existenzvernichtender Eingriff*) (i.e., a situation in which a shareholder deprives a GmbH of assets or the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German Guarantor. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced, even to nil.

Moreover, according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the stressed financial situation of the debtor and anticipates that the debtor will only be able to grant security by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of the Guarantees or security interests by the German Guarantor.

Furthermore, the beneficiary of a transaction qualifying as a repayment of the stated share capital of a GmbH (e.g., the enforcement of a guarantee or security interest granted by such GmbH or GmbH & Co. KG) could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if, for example, the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or security interest is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

The wording of the German limitation language included in the Guarantee and Adherence Agreement is as follows:

#### **Guarantee Limitation – Germany**

- (i) In this Clause 12(b) (*Guarantee Limitation – Germany*):  
**"DPLA"** means a domination and/or profit and loss pooling agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) as defined in section 291 of the German Stock Corporation Act (*Aktiengesetz*).

**"German Guarantor"** means a Guarantor incorporated or established in Germany in the legal form of a limited liability company (*GmbH*) or a limited

partnership with a limited liability company as general partner (*GmbH & Co. KG*).

**"Guarantee Given"** means the guarantee and indemnity given pursuant to Clause 2 (*Guarantee and Indemnity*).

**"Net Assets"** means an amount calculated as at the date of entry into this Agreement by the relevant German Guarantor equal to the sum of the amounts of the German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) assets (consisting of all assets which correspond to the items set forth in section 266 para 2 A, B, C, D and E of the German Commercial Code (*Handelsgesetzbuch*, "**HGB**")) less the aggregate amount of such German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) liabilities (consisting of all liabilities and liability reserves which correspond to the items set forth in section 266 para 3 B, C, D and E HGB), save that:

- (A) any obligations (*Verbindlichkeiten*) of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner)
  - 1. owing to any member of the Group or any other affiliated company which are subordinated by law or by contract to any Financial Indebtedness outstanding under this Guarantee Given (including, for the avoidance of doubt, obligations that would in an insolvency be subordinated pursuant to section 39 para 1 no 5 or section 39 para 2 of the German Insolvency Code (*Insolvenzordnung*)) and including obligations under guarantees for obligations which are so subordinated; or
  - 2. incurred in violation of any of the provisions of any Finance Document shall be disregarded; and
- (B) any indemnity claim (*Freistellungsanspruch*) of the German Guarantor resulting from the granting of the Guarantee Given shall be included to the extent it is – on the date of entry into this Agreement by the relevant German Guarantor – realisable (*werthaltig*).

The Net Assets shall be determined in accordance with the generally accepted accounting principles applicable from time to time in Germany (*Grundsätze ordnungsmäßiger Buchführung*).

**"Protected Capital"** means, calculated as at the date of entry into this Agreement by the relevant German Guarantor, the aggregate amount of:

- (A) the German Guarantor's (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) share capital (*Stammkapital*) as registered in the commercial register (*Handelsregister*); and
- (B) the German Guarantor's (or when applicable where the German Guarantor is a GmbH & Co. KG, its general partner's) amount of profits (*Gewinne*) or reserves (*Rücklagen*) which are not available for distribution to its shareholder(s) in accordance with sections 253 para 6, 268 para 8 or 272 para 5 HGB, as applicable.

"Up-stream and/or Cross-stream Guarantee" means any Guarantee Given if and to the extent such Guarantee Given secures the obligations of an Obligor which is a shareholder of the German Guarantor (and/or, in the case of a GmbH & Co. KG, of its general partner) or an affiliated company (*verbundenes Unternehmen*) of such shareholder within the meaning of section 16, 17 or 18 of the German Stock Corporation Act (*Aktiengesetz*) (other than the German Guarantor and its Subsidiaries and, in the case of a GmbH & Co. KG, the general partner and its Subsidiaries), **provided that** it shall not constitute an Up-stream or Cross-stream Guarantee if and to the extent the Guarantee Given guarantees amounts outstanding under any Finance Document in relation to any financial accommodation made available under such Finance Document to any Borrower and on-lent or otherwise passed on to, or issued for the benefit of, the relevant German Guarantor or any of its Subsidiaries (and, where the German Guarantor is a GmbH & Co. KG, to, or for the benefit of, its general partner or any of its Subsidiaries) and outstanding from time to time.

- (ii) This Clause 12(b) (*Guarantee Limitation – Germany*) applies if and to the extent the Guarantee Given is given by a German Guarantor and is an Up-stream and/or Cross-stream Guarantee.
- (iii) Each Secured Party agrees that the enforcement of an Up-stream and/or Cross-stream Guarantee given by a German Guarantor shall be limited if and to the extent that:
  - (A) the German Guarantor demonstrates that entering into this Agreement had (1) the effect of reducing the German Guarantor's (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) Net Assets calculated as at the date of entry into this Agreement by the relevant German Guarantor to an amount that is lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital calculated as at the date of entry into this Agreement by the relevant German Guarantor or (2) if the amount of the Net Assets were already lower at the date of entry into this Agreement by the relevant German Guarantor than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital, the effect of causing the Net Assets to be further reduced; and
  - (B) in case the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) is on the date a demand under the Guarantee Given is made (or was on the date of entry into this Agreement by the relevant German Guarantor) party to a DPLA as a dominated or profit distributing entity, the German Guarantor provides evidence that entering into this Agreement or enforcement of the Up-stream and/or Cross-stream Guarantee would otherwise give rise to a violation of the capital maintenance requirement as set out in section 30 para 1 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*); and
  - (C) the relevant German Guarantor has complied with its obligation to deliver the Management Determination and the Auditor's Determination, in each case in accordance with the requirements set out in Clauses 12(b)(iv) and 12(b)(v) below.

A guarantee provided by an additional guarantor not incorporated in Norway, Brazil, Germany or Belgium may be subject to limitations relating to such guarantors' jurisdiction and be limited by relevant limitation language and/or as required by mandatory provisions in such jurisdiction. The limitation language applicable to such other guarantors will be included in the accession letter by which such guarantor will accede to the Guarantee and Adherence Agreement.

### **Subordination Agreement**

The Issuer as issuer and Tosca Intermediate Holdings SARL as original subordinated shareholder have entered into a subordination agreement with the Security Agent as agent on behalf of the senior creditors, dated 16 April 2019 (the "**Subordination Agreement**"). The original subordinated shareholder has, as per the date of this Prospectus, granted shareholder loans to the Issuer in an amount of EUR 32,130,000 (including incurred and unpaid interest). In addition, the original subordinated shareholder may grant further shareholder loans to the Issuer in the future.

In accordance with the Subordination Agreement, the Senior Creditors (as defined in the Subordination Agreement) and the original subordinated shareholder agree that their respective claims against the Issuer shall rank in the following order of priority:

- i. first, the Senior Debt; and
- ii. second, the Subordinated Debt.

## DESCRIPTION OF THE GROUP

### History and development

The Issuer's legal and commercial name is Fiven ASA. The Issuer was incorporated 5 February 2019 and is a Norwegian public limited liability company operating under the laws of Norway with reg. no. 922 224 129. The Issuer's LEI Code is 549300Z4VK4GSH1X0129.

The registered office of the Issuer is Apotekergata 10, 0180 Oslo, Norway and the Issuer's headquarters is located in Oslo, with telephone number +47 372 60 000. The website of the Issuer is [fiven.com](http://fiven.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of the Issuer, adopted on 15 January 2019, the objects of the Issuer is to conduct investments in companies whose purpose is to develop and operate industry, mining, commerce and transportation and thereto related activities. For this purpose, the Issuer may participate directly or otherwise in other entities operating as mentioned above.

The Group is a carve-out of business' and assets acquired from Compagnie de Saint-Gobain S.A. under 2019. Consequently, the Group in its current form was established during 2019.

Below is a chronological overview which highlights certain key events with respect of the Group and its history.

Year:	Event
1912	Start-up of the Arendal plant.
1965	Start-up of the Lillesand plant.
1990	Acquisition of Norton. The Group now had two integrated plants in Norway (Arendal and Lillesand), one processing plant in the USA (Worcester) and one crude plant in Canada (Shawinigan).
1994	Acquisition of Intermat, with a processing plant in Hody, Belgium.
1995	Start-up of a new processing plant in Lianyungang, China.
1996	Start-up of a new crude plant in Venezuela (Puerto-Ordaz 1).
1999	Acquisition of Casil, with an integrated plant in Barbacena, Brazil and a sand mine in Nazareno. Acquisition of a crude plant in Xining, China.
2000	Shutdown of the Shawinigan plant in Canada. Acquisition of Cadeca, with a crude plant in Puerto-Ordaz, Venezuela.
2001	Opening of a new PF production line at Lillesand.
2005	Acquisition of an integrated plant in Mudanjiang, China.
2006	Extension of PF production facilities at Lillesand.

<b>2012</b>	Shutdown of the three Chinese plants following decision to exit the wiresaw market in China.
<b>2014</b>	Final shutdown of all operations in Worcester, USA.
<b>2016</b>	Acquisition of 50 % in a crude plant in Paraguay sold prior to the acquisition by OpenGate Capital.
<b>2019</b>	The Issuer, Matériaux Céramiques S.A., Carбето de Silicio Sika Brasil Ltda and Fiven GmbH are incorporated. OpenGate Capital acquires the Group from Compagnie de Saint-Gobain S.A.

## Business and operations

The Issuer's operations are focused on managing its subsidiaries within the Group.

The Group is a recent carve out from Compagnie de Saint-Gobain S.A., a French multinational corporation involved in the production of a variety of construction and high-performance materials.

The Group is a worldwide producer of silicon carbide grains and powders and in ceramic applications, offering its products and solutions to customers in both established and new fast-growing applications. Silicon carbide is a synthetic industrial material that rarely occurs naturally. It displays a unique combination of hardness, chemical stability, thermos-mechanical properties and electric and thermal conductivity, making it a vital input for many current and future applications.

The Group's product offering is spanning the entire range from core to high-end customised products. The Group's production footprint across Europe and South America has resulted in a strong market presence in these regions and the Group is the only player with a worldwide sales presence spanning Europe, Asia and the Americas. The production platform provides access to a flexible cost base and leverages preferential to raw materials. It also limits the exposure to input price fluctuations through long-term energy contracts and/or strategic country situations.

The customer base of the Group is dispersed and diversified, comprising leading international companies as well as a variety of smaller companies. The Group has a strong customer loyalty with an average tenure of over 10 years. The Group relies on its own competency centers, research and development and engineering capabilities to develop solutions for its customers, often in close partnership. The expertise of downstream processes combined with state-of-the-art production facilities enables the Group to serve demanding clients across various industries. The Group has approximately 650 employees, where approximately 40 per cent. is located in Europe and 60 per cent. in South America.

The Issuer (then Fiven AS), Matériaux Céramiques S.A., Carбето de Silicio Sika Brasil Ltda and Fiven GmbH was acquired in the end of 2018.

The Group's activities will be financed by the Bonds.

## Market overview

Silicon carbide has a wide range of end markets including construction, engineering, automotive, electronics, marine, aerospace and defence, healthcare, and energy. Some of these markets are presented below.

### ***Technical Ceramics***

The Group offers powders with varying purity levels and particle sizes down to the sub-micron range, which are specifically designed to provide very high density, excellent oxidation resistance, superior hardness, high strength and high thermal shock resistance.

### ***Defence & Security***

The Group's Silicon Carbide is used in armour for ballistic protection for the military, law enforcement agencies and armoured vehicles. It offers extreme hardness, mechanical strength, and it is lightweight.

### ***Electronics***

The Group's silicon Carbide has properties including chemical inertness at all temperatures, resistance to thermal shock and abrasion hardness and sinter ability, which are characteristics that are helpful in the production of electronics.

### ***Aerospace***

The aerospace market is a high-tech industry, manufacturing products from aircraft to guided missiles, space vehicles, satellites, telescopes and other related parts for which the Group provides silicon carbide solutions.

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

The Group services its customers with products in applications such as: technical ceramics, tailor made products, metallurgical, refractory and abrasives. More information about these applications are presented below.

### ***Technical ceramics***

The main applications for silicon carbide-based ceramics are kiln furniture, burner nozzles, sliding bearings, process components for the semiconductor industry, armour for the security & defence industries, seal rings and particulate filters.

Silicon carbide-based ceramic components can be manufactured using several processes:

- nitride-bonded silicon carbide;
- reaction bonded silicon carbide;
- re-crystallized silicon carbide;
- solid-state sintered silicon carbide; and/or
- liquid-phase sintered silicon carbide.

### ***Tailor made products***

Developing special, tailor-made silicon carbide powders for the Group's customers makes up a significant portion of the ongoing effort in the Group's global silicon carbide innovation teams. At the end of such development process the Group can offer a silicon carbide powder having unique properties that will improve the customer's manufacturing process or their end products.

### ***Metallurgy***

Metallurgical grade silicon carbide is used in iron foundries and in steel mills in the form of loose grains or briquettes:

- as an energy booster in steel converters due to the exothermic reaction in the process;
- as a Si- and C-alloying additive in induction and cupola furnaces for cast iron production;
- as an inoculant in iron foundries; and/or
- as a deoxidizing agent in ladle furnaces and electric arc furnaces during slag treatment.

The use of silicon carbide can improve the overall economics of iron and steel production.

### ***Refractory***

Chemical inertness at high temperatures, high resistance to abrasion and to thermal shock, make silicon carbide an attractive material for several refractory applications to which the Group offers its products. Typical examples are kiln furniture, aluminium reduction cells, incinerators, bricks for blast furnaces and zinc furnaces, crucibles, monolithics, tap hole clays and runners for melting furnaces.

### ***Abrasives***

Silicon carbide is a ceramic material with an excellent hardness, which is only surpassed by diamond, cubic boron nitride and boron carbide. Due to its high abrasion resistance and relatively low cost, the Group's silicon carbide is used as a loose or fixed abrasive material in a variety of applications, like surface treatment of woods and metals including polishing and also for grinding wheels.

### **Guarantors**

#### **Fiven Norge AS**

Fiven Norge AS 's legal and commercial name is Fiven Norge AS. Fiven Norge AS was incorporated 30 April 1964 and is a Norwegian limited liability company operating under the laws of Norway with reg. no. 914 810 574. Fiven Norge AS does not have a LEI Code.

The registered office of Fiven Norge AS is P.O. Box 113, 4792 Lillesand and Fiven Norge AS's headquarters is located in Lillesand, with telephone number +47 372 60 000. The website of Fiven Norge AS is [fiven.com](http://fiven.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of Fiven Norge AS, adopted on 7 June 2019, the objects of Fiven Norge AS is to develop and run industry conducting industry, mining, commerce and transport, and such other activities as are naturally connected thereto. To promote this purpose, the company may participate directly or in other ways in other undertakings engaged in activities as mentioned above.

#### **Matériaux Céramiques S.A.**

Matériaux Céramiques S.A.'s legal and commercial name is Matériaux Céramiques S.A. Matériaux Céramiques S.A. was incorporated 28 March 2019 and is a limited liability company operating under the laws of Belgium with reg. no. 0723.746.692. Matériaux Céramiques S.A. does not have a LEI Code.

The registered office and headquarters of Matériaux Céramiques S.A. is at Route de Villers 19, 4162 Anthisnes, with telephone number +32 4 383 98 20. The website of Matériaux Céramiques S.A. is [fiven.com](http://fiven.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of Matériaux Céramiques S.A., adopted on 28 March 2019, the objects of Matériaux Céramiques S.A. is to conduct all operations linked directly or indirectly

with the purchase, the sale, the manufacturing, the import, the export, the distribution and other services of all goods and finished or semi-finished products being related directly or indirectly with all businesses and industries in general.

#### **Carbeto de Silicio Sika Brasil Ltda.**

Carbeto de Silicio Sika Brasil Ltda's legal and commercial name is Carbeto de Silicio Sika Brasil Ltda. Carbeto de Silicio Sika Brasil Ltda. was incorporated 1 May 2019 and is a limited liability company operating under the laws of the Federative Republic of Brazil and it is enrolled with the CNPJ/ME under number 32.870.697/0001-48. Carbeto de Silicio Sika Brasil Ltda. does not have a LEI Code.

The registered office and headquarters of Carbeto de Silicio Sika Brasil Ltda. is in the City of Barbacena, State of Minas Gerais, at Rodovia BR- 265, s/n, km 208, Grogotó, CEP 36.202-630, with telephone number +55 32 3339 1700. The website of Carbeto de Silicio Sika Brasil Ltda. is [fiven.com](http://fiven.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of Carbeto de Silicio Sika Brasil Ltda., adopted on 14 May 2019, the objects of Carbeto de Silicio Sika Brasil Ltda. is (a) manufacturing, processing, marketing and rendering of services relating to carbide or carbide based products, or silicon carbide special components for use in the refractory and abrasive industries, as well as similar products, (b) mining in general, being able to explore and exploit deposits in the national territory, research, processing, refining, industrialization and commercialization of activities of extraction, processing and commercialization of non-metallic minerals, including sand, gravel and gravel, (c) the processing, marketing, representation on its own or of third parties and the distribution, on the domestic and foreign markets, of its products or of third parties, with or without trademark of its own registration or use, including mineral products, ferrous and non-ferrous metals, in addition to machines in general, the import and export of raw materials, inputs, equipment, parts, accessories, components, manufactured and semi-manufactured products, with a view to achieving its corporate purpose and providing trade services. promotion, disclosure and placement of Brazilian goods in foreign markets on its own or third parties and (d) participation in other companies as partner, quota holder or shareholder.

#### **Fiven GmbH**

Fiven GmbH's legal and commercial name is Fiven GmbH. Fiven GmbH was incorporated 16 January 2019 and is a limited liability company operating under the laws of Germany registered in the commercial register under HRB 100 315. Fiven GmbH does not have a LEI Code.

The registered office and headquarters of Fiven GmbH is at Gertrudenstr. 30-36, 50667, 51143 Köln, with telephone number +49 221 65076097. The website of Fiven GmbH is [fiven.com](http://fiven.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of Fiven GmbH, adopted on 26 March 2019, the purpose of Fiven GmbH is the provision of sales services in the areas of innovative materials, construction products and the building trade.

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

The shares of the Issuer are denominated in NOK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share

capital of NOK 1,000,000 divided into 1,000 shares. The Issuer is wholly owned by Tosca Intermediate Holdings SARL ("**Tosca Intermediate**"), a private limited liability company with its registered office established in the municipality of Luxembourg, Grand Duchy of Luxembourg. Tosca Intermediate's office is located at 12, rue Jean Engling L-1466 in Luxembourg. Tosca Intermediate's direct parent company is Tosca Ultimate Holdings SARL, a company operating under the laws of Luxembourg. Tosca Intermediate Holdings SARL, and the Issuer is controlled, by OpenGate Capital, a global private equity company, which through its funds Open Gate Capital Partners II, LP. and OpenGate Capital Partners II-A, L.P. together holds 100 per cent. of the votes and capital in Tosca Ultimate Holdings SARL.

OpenGate Capital is a global private equity firm active in the lower-middle market and focused on acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe.

According to the articles of incorporation of Tosca Intermediate, the object of the company is, *inter alia*, the taking and where appropriate, the sale/transfer of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and management of such holdings.

The following table sets forth the ownership structure in the Issuer as of the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Tosca Intermediate Holdings SARL	1,000	100 %	100 %
<b>Total</b>	<b>1,000</b>	<b>100.00 %</b>	<b>100.00 %</b>

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

### **Share capital and ownership structure of Fiven Norge AS**

The shares of Fiven Norge AS are denominated in NOK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Fiven Norge AS had an issued share capital of NOK 74,575,000 divided into 74,575 shares. Fiven Norge AS is wholly owned by the Issuer.

### **Share capital and ownership structure of Matériaux Céramiques S.A.**

The shares of Matériaux Céramiques S.A. are denominated in EUR. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Matériaux Céramiques S.A. had an issued share capital of EUR 791,375.20 divided into 776 shares. Matériaux Céramiques S.A. is wholly owned by the Issuer.

### **Share capital and ownership structure of Carбето de Silicio Sika Brasil Ltda.**

The shares of Carбето de Silicio Sika Brasil Ltda. are denominated in BRL. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Carбето de Silicio Sika Brasil Ltda. had an issued share capital of BRL 143, 267,000 divided into 143,267,000 shares. Carбето de Silicio Sika Brasil Ltda. is wholly owned by the Issuer.

### **Share capital and ownership structure of Fiven GmbH**

The shares of Fiven GmbH are denominated in EUR. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Fiven GmbH had an issued share capital of EUR 25,000 divided into 25,000 shares. Fiven GmbH is wholly owned by the Issuer.

## Shareholders' agreement

The Issuer is not aware of the details of any provision in the arrangement between its shareholders, the operation of which may at a subsequent date result in a change of control of the Issuer.

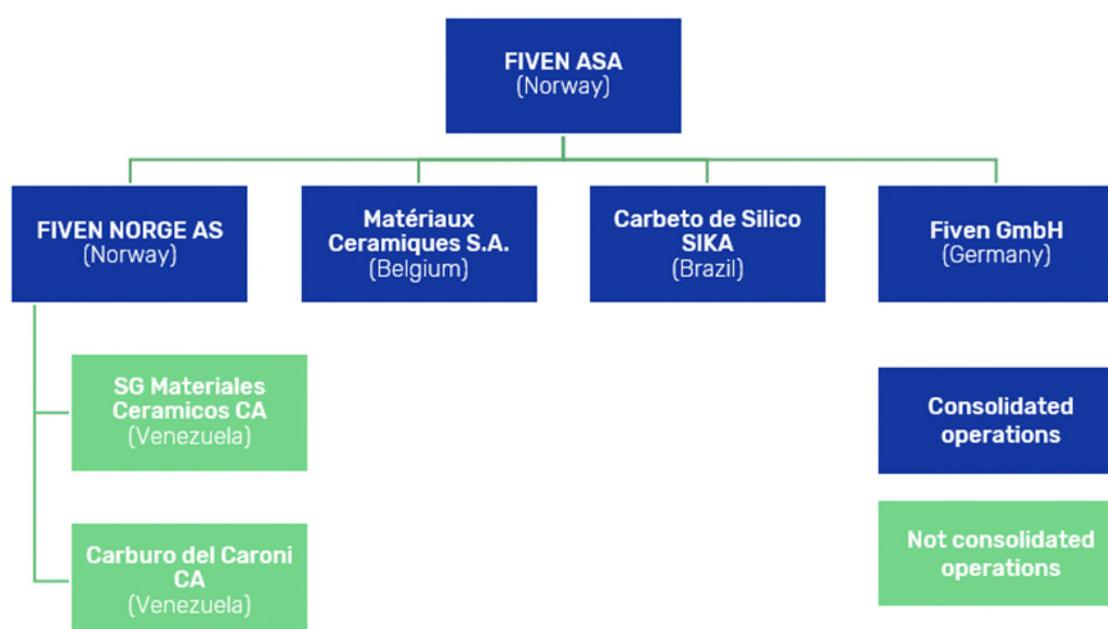
## Information regarding taxation

Tax legislation in the investor's home member state and the member state of the Issuer may affect any income from the Bonds.

## Overview of Group structure

On the date of this Prospectus, the Issuer has, directly and indirectly, six (6) subsidiaries.

The structure chart of the Group is set out below.



Operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

## Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Group's solvency.

## Significant change and trend information

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant change in the financial performance of the Group since the end of the last financial period for which audited financial information has been published. There have been no material changes in the Group's borrowing and funding structure since the last financial year (2019).

**Legal and arbitration proceedings**

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

**Credit rating**

No credit rating has been assigned to neither the Issuer nor any of the Guarantors, or any of their debt securities.

## MANAGEMENT OF THE ISSUER

### Board of directors of the Issuer

On the date of this Prospectus the board of directors of the Issuer consisted of three (3) members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Apotekergata 10, 0180 Oslo, Norway. Further information on the members of the board of directors and the senior management is set forth below.

#### Falk Ast, Chairman of the board since 2020.

**Education:** FH Köln, Germany, Degree (Dipl-Ing.) in Industrial Engineering.

**Current commitments:** Chairman of the Board of Fiven ASA  
Chairman of the Board of Fiven Norge AS  
Legal representative of Matériaux Céramiques S.A  
Legal representative of Fiven GmbH

#### Pål Einar Runde, member of the board since 2020.

**Education:** Master Degree in Physics, NTH (Norwegian Technical University), Trondheim, Norway.

**Current commitments:** R&D director of Fiven ASA  
Member of the Board and General Manager of Fiven Norge AS

#### Betty Åsheim, member of the board since 2020.

**Education:** MBA from Agder University in Computer and Engineering.

**Current commitments:** Sales & Marketing Director of Fiven ASA

### Management of the Issuer

#### Stein Erik Ommundsen, Group CFO since 2019.

**Education:** Master of International Business, NHH (Norwegian School of Economics and Business Administration), Bergen, Norway. Awarded "Best Graduate Student"

**Current commitments:** **General Manager of Fiven ASA since 2020**  
Member of the Board of Fiven Norge AS

#### Pål Einar Runde, R&D Director since 2019.

**Education:** See "Board of directors of the Issuer" for further details.

**Current commitments:** See "Board of directors of the Issuer" for further details.

#### Betty Åsheim, Sales & Marketing Director since 2019.

**Education:** *See "Board of directors of the Issuer" for further details.*

**Current commitments:** *See "Board of directors of the Issuer" for further details.*

## MANAGEMENT OF THE GUARANTORS

### Board of directors of Fiven Norge AS

On the date of this Prospectus the board of directors of Fiven Norge AS consisted of five (5) members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters in Lillesand. Further information on the members of the board of directors and the senior management is set forth below.

#### Falk Ast chairman of the board since 2019.

**Education:** See "Board of directors of the Issuer" for further details.

**Current commitments:** See "Board of directors of the Issuer" for further details.

#### Stein Erik Ommundsen, member of the board since 2019.

**Education:** See "Management of the Issuer" for further details.

**Current commitments:** See "Management of the Issuer" for further details.

#### Kjell Arne Kallestad, member of the board since 2012.

**Education:** Certified operator.

**Current commitments:** Union representative.

#### Pål Einar Runde, member of the board since 2019.

**Education:** See "Board of directors of the Issuer" for further details.

**Current commitments:** See "Board of directors of the Issuer" for further details.

#### Ole Petter Willumstad, member of the board since 2016.

**Education:** Certified operator.

**Current commitments:** Union representative.

### Management of Fiven Norge AS

#### Pål Einar Runde, General Manager since 2019.

**Education:** See "Board of directors of the Issuer" for further details.

**Current commitments:** See "Board of directors of the Issuer" for further details.

**Rune Håkedal, Operational Manager of Fiven Norge AS since 2016.**

**Education:** Bachelor of Engineering, Agder College, Norway.

**Current commitments:** Operational Manager of Fiven Norge AS.

**Siri Lyngvi-Østerhus, Financial Manager of Fiven Norge AS since 2015.**

**Education:** Master of Business and Economics, Norwegian School of Management, Oslo.

**Current commitments:** Financial Manager of Fiven Norge AS.

**Sverre Eikenes, Quality and Digitalization Manager of Fiven Norge AS since 2016.**

**Education:** Master Degree in Industrial Economy, Agder College, Norway.

**Current commitments:** Quality & Digitalization Manager of Fiven Norge AS.

**Irene Solås, Health, Safety & Environment manager of Fiven Norge AS since 2015.**

**Education:** Bachelor in Technology, from Sør-Trøndelag College, Norway.

**Current commitments:** Health Security & Environment manager of Fiven Norge AS.

**Philip Spinangr, Business System Manager of Fiven Norge AS since 2010.**

**Education:** Master Degree in Industrial Finance from Agder College, Norway.

**Current commitments:** Business System Manager of Fiven Norge AS.

**Per Ivar Seglem, Technical Manager of Fiven Norge AS since 2002.**

**Education:** Technical College, Stavanger, Norway.

**Current commitments:** Technical Manager of Fiven Norge AS.

**Lena Andreassen, Human Resource Manager of Fiven Norge AS since 2017.**

**Education:** Bachelor in Work- and Organizational Psychology from Bergen University, Norway.

**Current commitments:** Human Resource Manager of Fiven Norge AS.

**Gitte Aasen, Purchase Manager of Fiven Norge AS since 2017.**

**Education:** Bachelor in IT and Information systems, University of Agder, Norway.

**Current commitments:** Purchase Manager of Fiven Norge AS.

### **Board of directors of Matériaux Céramiques S.A.**

On the date of this Prospectus the board of directors of Matériaux Céramiques SA consisted of two (2) members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters at Route de Villers 19, 4162 Anthignes. Further information on the members of the board of directors and the senior management is set forth below.

#### **Falk Ast, member of the board since 2019.**

**Education:** See "Board of directors of the Issuer" for further details.

**Current commitments:** See "Board of directors of the Issuer" for further details.

#### **Atanas Chapkov, member of the board since 2019.**

**Education:** INSA Lyon, France, PhD in Mechanical Engineering.

**Current commitments:** Plant Manager Matériaux Céramiques S.A.

### **Management of Matériaux Céramiques S.A.**

#### **Atanas Chapkov, plant manager since 2019.**

**Education:** See "Board of directors of Matériaux Céramiques SA" for further details.

**Current commitments:** See "Board of directors of Matériaux Céramiques SA" for further details.

#### **Isabelle Bouteille, Finance Manager since 2012.**

**Education:** Master in Business Administration - Université de Liège.

**Current commitments:** Finance Manager of Matériaux Céramiques S.A.

### **Board of directors of Carbetto de Silicio Sika Brasil Ltda.**

On the date of this Prospectus the board of directors of Carbetto de Silicio Sika Brasil Ltda. consisted of three (3) members which have been elected by the general meeting. The board of directors and the senior management can be contacted through its headquarters located in the City of Barbacena, State of Minas Gerais, at Rodovia BR- 265, s/n, km 208, Grogotó, CEP 36.202-630. Further information on the members of the board of directors and the senior management is set forth below.

#### **Luiz Carlos Moreira, chairman of the board since 2019.**

**Education:** Metallurgical Engineering.

**Current commitments:** Industrial Director in SiC Américas.

#### **Jardel Wellitom Volpini, member of the board since 2019.**

**Education:** Accounting Science.

**Current commitments:** Finance and Administrative Director of Carbetto de Silício Sika Brasil.

#### **Luis Eduardo Pamplona Martins Pereira, member of the board since 2019.**

**Education:** MBA in Mining Engineering.

**Current commitments:** General Director of Carbetto de Silicio Sika Brasil Ltda.

### **Management of Carbetto de Silicio Sika Brasil Ltda.**

#### **Luis Eduardo Pamplona Martins Pereira, general director since 2019.**

**Education:** *See "Board of directors of the Carbetto de Silicio Sika Brasil Ltda" for further details.*

**Current commitments:** *See "Board of directors of the Carbetto de Silicio Sika Brasil Ltda" for further details.*

#### **Jardel Wellitom Volpini, finance and administrative director since 2019.**

**Education:** *See "Board of directors of Carbetto de Silicio Sika Brasil Ltda" for further details.*

**Current commitments:** *See "Board of directors of Carbetto de Silicio Sika Brasil Ltda" for further details.*

### **Management of Fiven GmbH**

The senior management can be contacted through its headquarters at Gertrudenstr. 30-36, 50667, 51143 Köln. Further information on the members of the board of directors and the senior management is set forth below.

### **Management of Fiven GmbH**

**Falk Ast, Geschäftsführer (managing director) since 2019.**

**Education:** *See "Board of directors of the Issuer" for further details.*

**Current commitments:** *See "Board of directors of the Issuer" for further details.*

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

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

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

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

## HISTORICAL FINANCIAL INFORMATION<sup>2</sup>

### Historical Financial Information

The Group's consolidated financial statements for the financial year ended 31 December 2019 and Fiven Norge AS' financial statement for the financial year ended 31 December 2018 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website [www.fiven.com](http://www.fiven.com).

The Group's consolidated financial statements for the financial year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Fiven Norge AS' financial statements for the financial year ended 31 December 2018 has been prepared in accordance with the Norwegian Generally Accepted Accounting Principles (Norwegian GAAP).

Other than the Group's consolidated financial statements for the financial year ended 31 December 2019 and Fiven Norge AS' financial statement for the financial year ended 31 December 2018, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 21;
- consolidated balance sheet, page 22-23;
- consolidated statement of changes in equity, page 24;
- consolidated cash flow statement, page 25;
- notes, pages 26-79; and
- audit report, pages 80-82.

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

- income statement, page 2;
- balance sheet, pages 3-4;
- cash flow statement, page 5;
- notes, pages 6-15; and

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<sup>2</sup> The historical financial information is derived from the Group's consolidated financial statements for the financial year ended 31 December 2019 and the guarantor Fiven Norge AS' financial statements for the financial year ended 31 December 2018.

- audit report, pages 16-18.

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

The Group's consolidated financial statement for the year ended 31 December 2019 and Fiven Norge AS' financial statement for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers AS with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PricewaterhouseCoopers AS (“**PwC**”) is member of Den Norske Revisorforeningen (the Norwegian Institute of Public Accountants). PwC has been the independent auditor of the Issuer since 2019 and of Fiven Norge AS since 2016. PwC was re-elected for an additional year on the latest annual general meeting of the Issuer and Fiven Norge AS, respectively.

The independent auditor’s reports related to the financial statements incorporated by reference into this Prospectus were conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Norway and the audit reports were submitted without qualifications and comments.

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

The most recent financial information has been taken from the Group's consolidated financial statements for the financial year ended 31 December 2019, which was published on 26 March 2020 on the Issuer's website [www.fiven.com](http://www.fiven.com).

## OTHER INFORMATION

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 56,500,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of EUR 100,000,000. Each Bond from the Initial Bond Issue has an initial nominal amount of EUR 1,000. The ISIN of the Bonds is SE0012453850.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website: [www.fiven.com/company-information/investor-relations/](http://www.fiven.com/company-information/investor-relations/).

### The Guarantors

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

- Fiven Norge AS is a limited liability company incorporated in Norway. It is registered with the Norwegian Companies Registration Office, reg. no. 914 810 574 and its registered address is Postboks 113, 4792 Lillesand, Norway.
- Matériaux Céramiques S.A. is a limited liability company incorporated under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises, reg. no. 0723.746.692 and its registered address is Route de Villers 19, 4162 Anthisnes, Belgium.
- Carbetto de Silicio Sika Brasil Ltda. is a limited liability company incorporated under the laws of the Federative Republic of Brazil, headquartered in the City of Barbacena, State of Minas Gerais, at Rodovia BR- 265, s/n, km 208, Grogotó, CEP 36.202-630, enrolled with the CNPJ/ME under number 32.870.697/0001-48.
- Fiven GmbH is a limited liability company incorporated under the laws of the Federal Republic of Germany having its corporate seat in Steinefrenz and its business address at Gertrudenstr. 30-36, 50667, 51143 Köln which is registered in the commercial register of the local court of Montabaur under HRB 26546.

### Material contracts

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

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at [fiven.com](http://fiven.com):

- the Group's consolidated financial statements for the financial year ended 31 December 2019, including the audit report for the financial year ended 31 December 2019; and
- Fiven Norge AS's financial statements for the financial year ended 31 December 2018, including the audit report for the financial year ended 31 December 2018.

### Documents available for inspection

The following documents are available at the Issuer's headquarters at Apotekergata 10, 0180 Oslo, Norway, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the articles of association of the Issuer and each Guarantor;
- the certificate of registration of the Issuer and each Guarantor;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019;
- Fiven Norge AS's financial statements and audit report for the financial year ended 31 December 2018;
- this Prospectus;
- the Subordination Agreement; and
- the Guarantee and Adherence Agreement.

The following documents are also available in electronic form on the Issuer's website [www.fiven.com/company-information/investor-relations/](http://www.fiven.com/company-information/investor-relations/):

- the articles of association of the Issuer and each Guarantor;
- the certificate of registration of the Issuer and each Guarantor;
- the Subordination Agreement;
- the Guarantee and Adherence Agreement;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019;
- Fiven Norge AS's consolidated financial statements and audit report for the financial year ended 31 December 2018; and
- this Prospectus.

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 600,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time/as in force on the First Issue Date) as applied by the Issuer in preparing its annual consolidated financial statements.

"**Acquisition**" means the Issuer's acquisition of the Target Group pursuant to the terms of a put option agreement entered into between Tosca Ultimate Holdings S.á.r.l. as offeror and Société Européenne des Produits Réfractaires SAS, Saint-Gobain Innovative Materials Belgium S.A. and Saint-Gobain do Brasil Produtos Industriais e para Construção LTDA as beneficiaries dated 23 December 2018.

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

"**Advance Purchase Agreements**" means (i) 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 (ii) 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.

"**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.

"**Agency Agreement**" means the fee agreement entered into between the Agent and the Issuer on or about the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent.

"**Agreed Security Principles**" means the principles set out in Schedule SCHEDULE 1 *Agreed Security Principles*.

"**Belgium NewCo**" means a special purpose vehicle to be established in Belgium for the purpose of acquiring the assets and liabilities of its direct parent company Saint-Gobain Innovative Materials Belgium S.A.

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

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 18 *Bondholders' Meeting*.

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

"**Brazil NewCo**" means a special purpose vehicle to be established in Brazil for the purpose of acquiring the assets and liabilities of its direct parent company Saint-Gobain do Brasil Produtos Industriais e para Construção LTDA.

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

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

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby one or more Persons, not being the Sponsor (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

"**Completion Date**" means the date of disbursements of the proceeds from the Proceeds Account.

"**Compliance Certificate**" means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying:

"**Compliance Certificate**" means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;

- (b) if provided in connection with a Financial Report being made available, that the Maintenance Covenant is met and including calculations and figures in respect of the Leverage Ratio;
- (c) if provided in connection with the testing of the Distribution Test or Incurrence Test, that the Distribution Test or Incurrence Test (as applicable) is met and including calculations and figures in respect of the Leverage Ratio; and
- (d) if provided in connection with the Group's annual audited consolidated financial statements (A) information on any new Material Group Companies or Qualifying Material Group Companies in accordance with Clause 14.3 (*Nomination of Guarantors and Guarantor Coverage Ratio*) and (B) confirmation of compliance with Clause 14.8 (*Clean Down of Working Capital Facility*).

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

"**Delisting Event**" means , following an Equity Listing Event, (i) the delisting of the shares in the Issuer from a Regulated Market or (ii) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

"**Distribution Test**" means the distribution test in accordance with Clause 13.4(a).

"**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 Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account (i) any extraordinary items and any non-recurring items which are not in line with the ordinary course of business, (ii) any Excess Power Income (up to EUR 1,000,000) and (iii) in connection with an acquisition, all cost savings and cost synergies reasonably projected by the Issuer, and externally verified by an auditor, as being obtainable during the 12 month period following the date of the completion of such acquisition, provided that the aggregate amount of (i)-(iii) may (for such purposes) not exceed 10.00 per cent. of EBITDA of the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (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;

- (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; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

**"Enterprise Value of the Target Companies"** means the sum of the Initial Bond Issue and the Equity Injection.

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

**"EURIBOR"** means:

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

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

**"Equity Cure"** means an equity injection in accordance with Clause 13.3 (*Equity Cure*).

**"Equity Injection"** means the injection of equity made by the Sponsor that accounts for no less than 40.0 per cent of the Enterprise Value of the Target Companies.

**"Equity Listing Event"** means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 15.1 (*Non-Payment*) to and including Clause 15.9 (*Continuation of the Business*).

**"Excess Power Income"** means non-operating income generated from the sale of excess electricity under a take-or-pay commitment at the Group's facility in Barbacena.

**"Final Maturity Date"** means 5 April 2022.

**"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 Group Company according to the latest Financial Reports (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any Shareholder Loan, interest on any loan owing to any Group Company 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 the Terms and Conditions, the Agency Agreement, the Subordination Agreement (if any), the Security Documents, the Guarantee Agreement and 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 the Accounting Principles 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 Accounting Principles 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 receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

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

**"Financial Report"** means the Group's annual audited consolidated financial statements or the Group's quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 12.1(a)(i) and 12.1(a)(ii).

"**First Call Date**" means the date falling 18 months after the First Issue Date.

"**First Issue Date**" means 5 April 2019.

"**Force Majeure Event**" has the meaning set forth in Clause 26(a).

"**German NewCo**" means a special purpose vehicle to be established in Germany for the purpose of completing the Acquisition.

"**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 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) agree to subordinate all subrogation claims, and (iii) undertake to adhere to the terms of the Finance Documents.

"**Guarantees**" means the guarantees provided by the Guarantors under the Guarantee Agreement.

"**Guarantors**" means the Target Companies and any Subsidiary which is a Material Group Company or a Qualifying Material Group Company in accordance with Clause 14.13 (*Nomination of Guarantors and Guarantor Coverage Ratio*).

"**Guarantor Coverage Ratio**" means the ratio of:

- (a) the aggregate EBITDA of the Guarantors to the aggregate EBITDA of the Group; and
- (b) the aggregate total assets of the Guarantors to the aggregate total assets of the Group,

tested annually based on the most recent annual audited Financial Report.

"**Incurrence Test**" means the incurrence test in accordance with Clause 13.4(b)

"**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.

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

**"Interest Payment Date"** means 5 January, 5 April, 5 July and 5 October each year. The first Interest Payment Date shall be 5 July 2019. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means EURIBOR plus 7.75 per cent. *per annum*.

**"Issuer"** means Fiven AS a limited liability company incorporated in Norway with reg. no. 922 224 129.

**"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.

**"Maintenance Covenant"** means the maintenance covenant set out in Clause 13.1 (*Maintenance Covenant*).

**"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 a Regulated Market or any other regulated or 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 the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents, where an expropriation of any Group Company's material assets in Brazil or Venezuela shall be deemed to have a material adverse effect.

**"Material Group Company"** means the Issuer, the Target Companies and any other Group Company:

- (a) with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 5.00 per cent or more of EBITDA; or
- (b) which has assets representing 5.00 per cent or more of the total assets of the Group,

calculated on a consolidated basis according to the latest Financial Report(s).

**"Material Intra-Group Loan"** means any intra-group loan provided by the Issuer or a Guarantor to any of its Subsidiaries where:

- (a) the term of the intercompany loan is at least 12 months (the term to be determined by the Issuer or the Guarantor); and
- (b) the principal amount exceeds EUR 2,000,000.

**"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 Group Company and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Shareholder Loans).

**"Net Interest Bearing Debt"** means the consolidated interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the Accounting Principles (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Loans, 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).

**"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 (if the Sole Bookrunner has requested that its fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

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

**"Obligors"** means the Issuer and each Guarantor.

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

- (a) incurred under the Bonds (except for any Subsequent Bonds);
- (b) incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business and relating to equipment, in a maximum aggregate amount not exceeding EUR 3,000,000;
- (c) under any guarantee issued by a Group Company or pursuant to a counter-indemnity provided to a bank or other third party provider of a guarantee;
- (d) 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 under the Terms and Conditions and/or the Working Capital Facility, but not any transaction for investment or speculative purposes;

- (e) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions and/or the Working Capital Facility, but not any transaction for investment or speculative purposes;
- (f) incurred under Advance Purchase Agreements;
- (g) incurred under any Shareholder Loan;
- (h) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a *pro forma* basis, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) meets the Incurrence Test on a *pro forma* basis (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case of (B) and (C) which occur after the Final Maturity Date;
- (i) incurred by the Issuer under any working capital facility provided to any Group Company for general corporate purposes of the Group (and any refinancing, amendment or replacements thereof), amended from time to time (as the case may be), in an aggregate amount not exceeding the higher of (i) EUR 10,000,000 (or its equivalent in other currencies) and (ii) 50 per cent. of the consolidated EBITDA of the Group at the time of incurrence, provided that it may in no event exceed EUR 15,000,000 (or its equivalent in other currencies) (the "**Working Capital Facility**");
- (j) taken up from a Group Company;
- (k) 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;
- (l) any pension debt in a maximum amount of EUR 2,000,000; and
- (m) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding EUR 500,000.

"**Permitted Security**" means any Security:

- (a) provided under the Finance Documents;
- (b) over the Proceeds Account;
- (c) 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);
- (d) provided in relation to any lease agreement entered into by a Group Company;

- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for the Working Capital Facility;
- (g) provided over bank accounts and/or proceeds pertaining to sold receivables with respect to factoring on a non-recourse basis; and
- (h) provided pursuant to items (b), (d), (e), (h), (i), (k) and (l) of the definition of "Permitted Debt".

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

"**Proceeds Account**" means a bank account of the Issuer, into which the Net Proceeds 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 and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

"**Qualifying Material Group Company**" shall have the meaning given to such term in Clause 14.13 (*Nomination of Guarantors and Guarantor Coverage Ratio*).

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

"**Record Date**" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

"**Reference Date**" means 31 March, 30 June, 31 October and 31 December.

"**Reference Period**" means each period of 12 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 14.2(a).

"**Saint-Gobain Norway**" means Saint-Gobain Ceramic Materials A/S, reg. no. 914 810 574.

"**Secured Obligations**" means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Finance Documents including the obligations set out in Clause 11 (*Parallel Debt (Covenant to pay the Security Agent)*)

"**Secured Parties**" means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

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

"**Security Agent**" means the security agent holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ) on the First Issue Date.

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

"**Shareholder Loans**" means any shareholder loan made to the Issuer as debtor, if such shareholder loan:

- (a) according to the Subordination Agreement 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 (unless a Restricted Payment is permitted under the Finance Documents).

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

"**Sponsor**" means OpenGate Capital Management, LLC or an Affiliate thereof.

"**Subordination Agreement**" means the subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Shareholders Loans.

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

"**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.

**"Target Companies"** means Saint-Gobain Norway, Brazil NewCo, Belgium NewCo and German NewCo.

**"Target Group"** the Target Companies and their 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 Group Company in connection with (i) a Bond Issue, (ii) the acquisition of the Target Group 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 each Guarantor;
- (b) pledge over floating charges or business mortgages issued in or by each Guarantor incorporated in Europe;
- (c) pledge over insurance policies held by the Issuer and each Guarantor;
- (d) security over any real property owned by the Issuer or any Guarantor; and
- (e) pledge over any current and future Material Intra-Group Loans.

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental,

intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website [www.ecb.europa.eu](http://www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.
  - (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
  - (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is EUR 1,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is EUR 56,500,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in the Initial Bond Issue is EUR 100,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Initial Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 100,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 17(e)(i). Each Subsequent Bond shall entitle its holder to

Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.

- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. Use of Proceeds**

The proceeds from the Initial Bond Issue shall be used to (i) contribute to financing the acquisition of the Target Group, (ii) finance Transaction Costs and (iii) finance general corporate purposes of the Group.

The proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes of the Group, including capital expenditures and acquisitions.

### **4. Conditions Precedent and Conditions Subsequent**

#### **4.1 Conditions Precedent for Disbursement - Initial Bond Issue**

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent and other than as set out under Clause 4.2 (*Conditions Subsequent*)), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed (other than as set out under Clause 4.2 (*Conditions Subsequent*));
  - (iii) evidence that:

- (A) the Acquisition has been completed or, (2) in the form of a funds flow statement, the Acquisition will be completed immediately following disbursement of the Net Proceeds; and
  - (B) that any existing Financial Indebtedness and/or existing Security not constituting Permitted Debt or Permitted Security, as applicable, incurred or granted by or over the Target Group has been repaid or released, as applicable, on or prior to the completion of the Acquisition;
- (iv) copies of the following Security Documents (if applicable), duly executed, and evidence that the documents and other evidences to be delivered pursuant to such Security Documents have been delivered and satisfied, provided that any document and other evidences to be delivered pursuant to the Security Documents but not required for perfection of the security may be delivered as soon as practicably possible following disbursement of the Net Proceeds from the Initial Bond Issue from the Proceeds Account:
- (A) the share pledge agreement relating to all shares in the Issuer;
  - (B) the insurance pledge agreement relating to insurance policies held by the Issuer; and
  - (C) the real property security agreement relating to any real property owned by the Issuer;
- (v) an agreed form Compliance Certificate;
- (vi) evidence that the Equity Injection has been made; and
- (vii) a legal opinion on the capacity and due execution of each party to a Finance Document not incorporated in Sweden and the validity and enforceability of the Finance Documents not governed by Swedish law, in each case issued by a reputable law firm (if applicable).
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within sixty (60) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together

with any accrued 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 thirty (30) Business Days after the ending of the sixty (60) Business Days period referred to above.

## 4.2 Conditions Subsequent

- (a) Subject to Clause 4.2(b), but always in accordance with Clause 10.1(c), the Issuer shall no later than eighty (80) Business Days following the Completion Date provide the Agent with the following documents and evidence:
- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for each Guarantor and each other party to a Finance Document, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the following Security Documents, duly executed and evidence that the documents and other evidences to be delivered pursuant to such Security Documents have been delivered and satisfied:
    - (A) the share pledge agreements in respect of all shares in each Guarantor;
    - (B) the pledge agreements over floating charges or business mortgages issued in or by each Guarantor, provided that such Group Company is incorporated in Europe;
    - (C) the insurance pledge agreements relating to insurance policies held by each Guarantor;
    - (D) the real property security agreements relating to any real property owned by a Guarantor; and
    - (E) the pledge agreements relating to any current and future Material Intra-Group Loans,
  - (iii) evidence that each Guarantor has acceded to the Guarantee Agreement as a Guarantor;
  - (iv) evidence in the form of a certificate signed by the Issuer that the Guarantor Coverage Ratio is not less than eighty-five (85) per cent.; and
  - (v) legal opinion(s) on the capacity and due execution of each party to a Finance Document not incorporated in Sweden and the validity and enforceability of the Finance Documents not governed by Swedish law, in each case issued by a reputable law firm (if applicable).
- (b) If additional time is required, for any registration measures or similar required under local law in order to grant the Transaction Security and Guarantees set out in Clause 4.2(a), the Issuer shall provide to the Agent a confirmation from a

reputable local legal counsel that such registrations are required and the Agent shall in such case grant the Issuer sufficient time to carry out the necessary registrations and satisfy the conditions subsequent set out in Clause 4.2(a). The relevant conditions subsequent in relation to such jurisdiction shall then be satisfied no later than eighty (80) Business Days following the completion of such registration.

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

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

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

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may

assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

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

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (e) 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 (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

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

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

### **9.1 Redemption at maturity**

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

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

The Issuer and any Group Company may at any time, subject to applicable law, and at any price purchase Bonds. Bonds held by the Issuer or any Group Company may at the Issuer's or such Group Company's discretion be retained or sold, but not cancelled.

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

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.875 per cent. of the Nominal Amount plus the remaining interest payments up to, but excluding, the First Call Date, 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 24 months after the First Issue Date at an amount per Bond equal to 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.325 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 100.775 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (v) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount

per Bond equal to 100.000 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause (a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to 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 CSD and the Agent in connection with such repayment.

#### **9.4 Voluntary Partial Redemption**

- (a) The Issuer may redeem the Bonds on one occasion per calendar year (without carry-back or carry forward) in a maximum aggregate amount not exceeding 5 per cent. of the total Initial Nominal Amount. The repayment must occur on the Interest Payment Date following the notice delivered pursuant to Clause 9.4(c) The repayment per Bond shall be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 100) 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.
- (b) The Issuer may on one occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the aggregate Nominal Amount of the Bonds outstanding from time to time, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date. 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 be equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 100) 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.
- (c) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount

in EUR and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

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

- (a) Upon the occurrence of a Change of Control Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event or Delisting Event pursuant to Clause 12.1(e) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Delisting Event.
- (b) The notice from the Issuer pursuant to Clause 12.1(e) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.1(e). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold, but not cancelled.

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

### **10.1**

- (a) 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 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 Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee Agreement (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee Agreement (as applicable) will, enter into the Security Documents

and/or the Guarantee Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.

- (c) All security and guarantees provided for pursuant to the Transaction Security and the Guarantees shall be subject to, and limited as required by, financial assistance regulations and other corporate law limitations. All Transaction Security and the Guarantees shall be provided pursuant to and in accordance with the Agreed Security Principles.
- (d) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 17 (*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' 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.

## 10.2 German Transaction Security

- (a) The Security Agent shall:
  - (i) hold and administer any Security governed by German law which is security assigned (*Sicherungseigentum/Sicherungsabtretung*) or otherwise transferred under a non-accessory security right (*nicht-akzessorische Sicherheit*) to it as trustee (*treuhänderisch*) for the benefit of the Secured Parties; and
  - (ii) administer any Security governed by German law which is pledged (*Verpfändung*) or otherwise transferred to any Secured Party under an accessory security right (*akzessorische Sicherheit*) as agent.
- (b) Each Secured Party (other than the Security Agent) hereby authorises the Security Agent (whether or not by or through employees or agents):
  - (i) to exercise such rights, remedies, powers and discretions as are specifically delegated to or conferred upon the Security Agent under the Security Documents together with such powers and discretions as are reasonably incidental thereto;
  - (ii) to take such action on its behalf as may from time to time be authorised under or in accordance with the Security Documents; and
  - (iii) to accept and enter into as its attorney (*Stellvertreter*) any pledge or other creation of any accessory security right granted in favour of such Secured Party in connection with the Finance Documents under German law and to agree to and execute on its behalf as its attorney (*Stellvertreter*) any amendments, confirmations and/or alterations to any Security Document governed by German law which creates a pledge or any other accessory

security right (*akzessorische Sicherheit*) including the release or confirmation of release of such Transaction Security.

- (c) Each of the Secured Parties (other than the Security Agent) hereby relieves the Security Agent from the restrictions pursuant to section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Secured Party. A Secured Party which is barred by its constitutional documents or by-laws from granting such exemption shall notify the Security Agent accordingly.
- (d) Each Secured Party (other than the Security Agent) hereby ratifies and approves all acts and declarations previously done by the Security Agent on such Secured Party's behalf (including for the avoidance of doubt any declarations made by the Security Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any Secured Party as future pledgee or otherwise).
- (e) Each of the Secured Party (other than the Security Agent) hereby authorises the Security Agent to (sub-)delegate any powers granted to it under this Clause 10.2 to any attorney it may elect in its discretion and to grant powers of attorney to any such attorney (including the exemption from self-dealing and representing several persons (in particular from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*)) (in each case to the extent legally possible)).

## **11. Parallel Debt (Covenant to pay the Security Agent)**

- 11.1** Notwithstanding any other provision of these Terms and Conditions, each Obligor hereby irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Obligor to the Secured Parties under each of the Finance Documents as and when that amount falls due for payment under the relevant Finance Document or would have fallen due but for (i) any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting that Obligor, to preserve its entitlement to be paid that amount, or (ii) any modification of obligations of any Obligor to the Secured Parties under the Finance Documents resulting from an arrangement (if any) reached in insolvency proceedings affecting that Obligor.
- 11.2** The Security Agent shall have its own independent right to demand payment of the amounts payable by each Obligor under this Clause 11, irrespective of any (i) discharge of such Obligor's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting that Obligor, to preserve their entitlement to be paid those amounts, or (ii) any modification of obligations of any Obligor to the Secured Parties under the Finance Documents resulting from an arrangement (if any) reached in insolvency proceedings affecting that Obligor.
- 11.3** Any amount due and payable by an Obligor to the Security Agent under this Clause 11 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Finance Documents and any amount due and payable by an Obligor to the other Secured Parties under those provisions shall be decreased to the extent that the Security Agent has

received (and is able to retain) payment in full of the corresponding amount under this Clause 11.

- 11.4** The rights of the Secured Parties (other than the Security Agent) to receive payment of amounts payable by each Obligor under the Finance Documents are several and are separate and independent from, and without prejudice to, the rights of the Security Agent to receive payment under this Clause 11. Each Obligor's parallel obligation under this Clause 11 towards the Security Agent constitutes a single and separate obligation from any other debt of each Obligor under the Finance Documents.

## **12. Information to Bondholders**

### **12.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the 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; and
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (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.
- (b) Any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (c) When the Bonds have been listed on a Regulated Market:
- (i) the information set out in Clause 12.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 12.1(a)(i) and Clause 12.1(a)(ii) shall be prepared in accordance with IFRS.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or a Delisting 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 in connection with:
  - (i) the testing of the Incurrence Test or the Distribution Test;
  - (ii) a Financial Report being made available.
- (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 12.1 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 12.1.

## **12.2 Information from the Agent**

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 12.2(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 18 (*Bondholders' Meeting*), 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.

### **12.3 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 versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **13. Financial Undertakings**

### **13.1 Maintenance Covenant**

The Issuer shall ensure that the Leverage Ratio is not greater than 4.50:1.

### **13.2 Testing of the Maintenance Covenant**

The Maintenance Covenant shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested, for as long as any Bonds are outstanding, by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 30 June 2019.

### **13.3 Equity Cure**

- (a) If there is a breach of any of the Maintenance Covenant, no Event of Default will occur if, within twenty (20) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions, the Issuer has received equity injection in cash by way of a share issue in the Issuer or an unconditional shareholder contribution to the Issuer in an amount sufficient to ensure compliance with the Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**").
- (b) The calculation of the Leverage Ratio shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced with an amount equal to the Cure Amount.
- (c) Any Equity Cure must be made in cash and no more than three (3) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

### **13.4 Distribution Test and Incurrence Test**

- (a) The Distribution Test is met if the Leverage Ratio is not greater than 2.50:1.
- (b) The Incurrence Test is met, if:
  - (i) the Leverage Ratio is less than:
    - (A) 3.00:1 during the period from the First Issue Date until (and including) the date falling 18 months from the First Issue Date;

- (B) 2.75:1 during the period from (but excluding) the date falling 18 months from the First Issue Date until (and including) the date falling 24 months of the First Issue Date; and
  - (C) 2.50:1 during the period from (but excluding) the date falling 24 months of the First Issue Date until (and including) the Final Maturity Date; and
- (ii) no Event of Default is continuing or would occur upon the incurrence.

### 13.5 Testing of the Distribution Test and the Incurrence Test

The Leverage Ratio for purpose of the Distribution Test and 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 or the making of a Restricted Payment (as applicable); 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 provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be calculated in accordance with Clause 13.6 (*Calculation Adjustments*).

### 13.6 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, the Maintenance Covenant and the Distribution Test, but adjusted so that:

- (a) entities acquired by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included, *pro forma*, for the entire Reference Period, taking into account any cost savings, synergies, integration and transaction costs reasonably projected by the Issuer, provided that:
  - (i) such projected cost savings and synergies shall be included without double counting cost savings and synergies already realised during such Reference Period; and
  - (ii) such projected cost savings are subject to the restrictions referred to in paragraph (c) of the definition "EBITDA",

so long as such projected cost savings and synergies are projected by the Issuer to be realisable within twelve (12) months from the date of acquisition, they shall be assumed to be realisable at any time during such twelve (12) months period;
- (b) entities 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 excluded, *pro forma*, 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, taking into account any cost savings, synergies, integration and transaction costs reasonably projected by the Issuer, subject to the limitations set out in Clause 13.6(a) above.

## 14. General Undertakings

### 14.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Guarantor (pursuant to the Guarantee Agreement) undertakes to) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

### 14.2 Restricted Payments

- (a) The Issuer shall not and shall procure that none of its Subsidiaries will:
- (i) pay any dividend on its shares (other than to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis);
  - (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) grant any loans (other than to the Issuer or a wholly-owned Subsidiary of the Issuer);
  - (v) repay any Shareholder Loans or pay capitalised or accrued interest thereunder; or
  - (vi) make any other similar distribution or transfers of value to the direct or indirect shareholders of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis),

(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").

- (b) Notwithstanding the above, a Restricted Payment may be made by the Issuer if an Equity Listing Event has occurred, provided that at the time of the payment:
- (i) no Event of Default is outstanding or would occur as a result of such Restricted Payment;
  - (ii) the Distribution Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and

- (iii) the aggregate amount of all Restricted Payments of the Group in any financial year (including the relevant Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net income for the previous financial year.
- (c) Notwithstanding the above, the Issuer may make payments to the Sponsor covering, *inter alia*, annual monitoring fees and administrative expenses, in a maximum aggregate amount of (i) EUR 1,000,000 *per annum* or (ii) if the consolidated EBITDA of the Group is less than EUR 15,000,000, EUR 500,000 *per annum*, in each case provided that no Event of Default is continuing or would occur due to such Restricted Payment.

### 14.3 Listing

- (a) The Issuer shall use its best efforts to ensure that:
  - (i) the Initial Bonds are listed on a Regulated Market within twelve (12) months of the First Issue Date;
  - (ii) any Subsequent Bonds are listed on the relevant Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be listed within twelve (12) months after the First Issue Date); and
  - (iii) the Bonds, if admitted to trading on a 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 further use its reasonable endeavours to procure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably possible after the First Issue Date and 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).

### 14.4 Nature of Business

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

### 14.5 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its

Subsidiaries have a right to incur, prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

#### **14.6 Disposal of Assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets (including but not limited to material intellectual property rights) or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

#### **14.7 Negative Pledge**

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

#### **14.8 Clean Down of Working Capital Facility**

- (a) The Issuer shall procure that during each calendar year there shall be a period of 5 consecutive days during which the amount outstanding under the Working Capital Facility, less cash and cash equivalents of the Group, amounts to zero (0) or less. Not less than three (3) months shall elapse between two such periods.
- (b) The Issuer shall confirm the compliance with Clause 14.8(a) by way of a Compliance Certificate delivered in connection with the Group's annual audited consolidated financial statements pursuant to Clause 12.1(g)(ii).

#### **14.9 Conditions Subsequent**

The Issuer shall procure that Clause 4.2 (*Conditions Subsequent*) is complied with.

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

The Issuer shall, and shall procure that each other Group Company will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

#### **14.11 Loans Out**

The Issuer shall not, and shall procure that no other Group Company will, extend any loans in any form to any other party than (i) to other Group Companies or (ii) in the ordinary course of business.

#### **14.12 Compliance with laws and authorisations**

The Issuer shall, and shall make sure that each other Group Company will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit

required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

#### **14.13 Nomination of Guarantors and Guarantor Coverage Ratio**

In connection with the satisfaction of the conditions subsequent pursuant to Clause 4.2 (*Conditions Subsequent*) and thereafter once every year (simultaneously with the publication by the Issuer of the audited annual Financial Reports of the Group and the Compliance Certificate related thereto pursuant to Clause 12.1(g)), the Issuer shall ensure that:

- (a) each Material Group Company; and
- (b) each Group Company necessary to ensure that the Guarantor Coverage Ratio is at least eighty-five (85) per cent. (such company being a "**Qualifying Material Group Company**"),

in each case as determined by reference to the most recent annual audited Financial Reports, are listed as Material Group Companies or Qualifying Material Group Company, as applicable, in the relevant Compliance Certificate delivered in connection thereto pursuant to Clause 12.1(g)(ii).

#### **14.14 Additional Security over Material Group Companies and Qualifying Material Group Companies**

The Issuer shall procure that, subject to Clause 10.1(c), Transaction Security is granted over all shares in each Material Group Company and each Qualifying Material Group Company as soon as possible but no later than eighty (80) Business Days after its nomination in accordance with Clause 14.13 (*Nomination of Guarantors and Guarantor Coverage Ratio*) 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 register of shareholders (or similar) (in each case) with respect to that Material Group Company or Qualifying Material Group Company, as applicable;
- (c) any legal opinion on the capacity and due execution in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (d) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

#### **14.15 Additional Guarantors**

The Issuer shall procure that, subject to Clause 10.1(c), each Material Group Company and each Qualifying Material Group Company accedes to the Guarantee Agreement as a Guarantor as soon as possible but no later than eighty (80) Business Days after its nomination in accordance with Clause 14.13 (*Nomination of Guarantors and Guarantor Coverage Ratio*) above and in connection therewith provides to the Agent:

- (a) Security pursuant to Clause 14.16 (*Additional Security by Guarantors*) and Clause 14.17 (*Additional Security Material Intra-Group Loan*);
- (b) 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);
- (c) any legal opinion on the capacity and due execution unless such Material Group Company or Qualifying Material Group Company, as applicable, is incorporated in Sweden, issued by a reputable law firm; and
- (d) any legal opinion on the validity and enforceability in respect of any Finance Documents unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

#### **14.16 Additional Security by Guarantors**

The Issuer shall, subject to Clause 10.1(c), procure that each Material Group Company and each Qualifying Material Group Company, which accedes to the Guarantee Agreement as a Guarantor pursuant to Clause 14.15 (*Additional Guarantors*), shall grant Security over:

- (a) floating charges or business mortgages issued in or by each Guarantor, provided that such Group Company is incorporated in Europe;
- (b) insurance policies held by each Guarantor; and
- (c) any real property owned by a Guarantor.

#### **14.17 Additional Security Material Intra-Group Loan**

The Issuer shall, and shall procure that each Guarantor will, subject to Clause 10.1(c), upon the granting of a Material Intra-Group Loan, grant Security over that Material Intra-Group Loan 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) any legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

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

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.10 (*Acceleration of the Bonds*)) is an Event of Default.

### **15.1 Non-Payment**

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

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

### **15.2 Maintenance Covenant**

The Issuer has failed to comply with any of the Maintenance Covenant and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 13.3 (*Equity Cure*).

### **15.3 Other Obligations**

A party (other than the Agent) fails to comply with its obligations under the Finance Documents, in any other way than as set out in Clause 15.1 (*Non-Payment*) and 15.2 (*Maintenance Covenant*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer has remedied the failure within fifteen (15) Business Days of the earlier (i) the Issuer becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

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

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period (if there is one), or is 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 15.4 (*Cross payment default and Cross-acceleration*) if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 21,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

### **15.5 Insolvency**

If:

- (a) any 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; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company.

## **15.6 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 sixty (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 500,000, and (iii), in relation to Subsidiaries, 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 any Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

## **15.7 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding EUR 500,000 and is not discharged within sixty (60) days.

## **15.8 Mergers and Demergers**

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that 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 a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

## **15.9 Continuation of the Business**

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

## **15.10 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 15.10(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, 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 15.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent 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 17 (*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) In the event of an acceleration of the Bonds in accordance with this Clause 15.10, 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.

## 16. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents under Clause 11 (*Parallel Debt (Covenant to pay the Security Agent)*) and/or following an acceleration of the Bonds in accordance with Clause 15 (*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 Guarantee to the extent proceeds from the Guarantees 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 (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent and the Security Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of

the Transaction Security or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent and the Security Agent, (iii) any costs incurred by the Agent and the Security Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 17(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.

- (b) Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) in Clause 16(a) above shall be paid to the Issuer (or the Guarantors, as applicable).
- (c) In consideration for the covenants given to the Security Agent by each Obligor in Clause 11 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Obligor to apply all moneys from time to time paid by such Obligor to the Security Agent in accordance with the provisions of Clause 16 (*Distribution of Proceeds*).

## **17. Decisions by Bondholders**

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

(d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting; or
- (ii) on the Business Day specified in the communication pursuant to Clause 19(c), in respect of a Written Procedure,

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

(e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c):

- (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 100,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
- (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
- (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
- (iv) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Voluntary Partial Redemption*));
- (v) waive a breach of or amend an undertaking set out in Clause 14 (*General Undertakings*);
- (vi) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of Proceeds*);
- (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 17;
- (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee Agreement (as applicable);
- (x) a mandatory exchange of the Bonds for other securities; and

- (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 15 (*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 17(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(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 20(a)(i) or 20(a)(ii)), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantee.
  - (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
    - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
    - (ii) if in respect of a Written Procedure, reply to the request.

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 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(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 17(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.

## **18. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18(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 (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18(a).
- (c) The notice pursuant to Clause 18(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders'

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

## 19. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 19(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 19(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 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 20. Amendments and Waivers

- (a) The Issuer, 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 the Agent is satisfied that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(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 12.3 (*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 in accordance 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.

## **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 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.
- (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 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 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, 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 16 (*Distribution of Proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 21.2(i).
- (l) In particular, and for the avoidance of doubt, nothing in these Terms and Conditions or any other Finance Document shall be construed so as to constitute an obligation of the Security Agent to perform any services which it would not be entitled to render pursuant to the provisions of the German Act on Rendering Legal Services (*Rechtsdienstleistungsgesetz*) or pursuant to the provisions of the German Tax Advisory Act (*Steuerberatungsgesetz*) or any other services that require an express official approval, licence or registration, unless the Security Agent holds the required approval, licence or registration.

### **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 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 (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security

Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

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

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

Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

### **23. 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 23(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(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2(k) before a Bondholder may take any action referred to in Clause 23(a).
- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event or Delisting Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

### **24. 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.

## 25. Notices and Press Releases

### 25.1 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 Norwegian 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 be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(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.

### 25.2 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 (Voluntary Partial Redemption), 9.5 (Mandatory repurchase due to a Change of Control Event or Delisting Event (put option)) 15.10(c), 17(o), 18(a), 19(a) and 20(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.

- (b) In addition to Clause 25.2(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 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.

## 26. Force Majeure and Limitation of Liability

- (a) None of the Agent, the Security Agent or the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 27. Governing Law and Jurisdiction

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

**SCHEDULE 1****Agreed Security Principles**

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

1. if required or customary under local law, Guarantees and Transaction Security will be limited to the extent required by any such local legal requirements;
2. 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;
3. 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);
4. any assets subject to pre-existing third-party arrangements which are permitted by the Terms and Conditions or any other contractual restrictions on assignments and which prevent those assets from being charged, will be excluded from any relevant Security Document;
5. Security Documents and the Guarantee 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;
6. 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;
7. 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 Intra-Group Loans;
8. the Issuer and the Guarantors shall not be under an obligation to grant Security over any trade receivables;
9. 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 Intra-Group Loans being subject to Transaction Security;
10. 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;

11. the Issuer and the Guarantors shall not be under an obligation to grant Guarantees or Transaction Security over any assets 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 unless such costs amounts to less than EUR 10,000;
12. 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);
13. 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 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;
14. 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 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);
15. 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 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);
16. 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;
17. 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;
18. 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;
19. Transaction Security will not be enforceable until an Event of Default has occurred and is continuing; and
20. 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.

The Agent shall have a right to consult with a local legal counsel in a relevant jurisdiction in order to verify and confirm compliance with the Agreed Security Principles in relation to a Security and/or Guarantee. The costs for such local legal counsel shall be borne or reimbursed by the Issuer and the Agent is not required to seek the Issuer's confirmation or approval prior to engaging such local legal counsel.

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