

**COMPANY DESCRIPTION OF
BAYN GROUP AB (PUBL)**



**PREPARED IN CONNECTION WITH THE ADMISSION TO TRADING OF
SEK 500,000,000 SENIOR SECURED CALLABLE FIXED RATE BONDS**

2021/2024

ISIN: SE0015243472

First North Bond Disclaimer

Nasdaq First North Bond is an MTF, as defined in EU legislation (as implemented in national law), operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Bond are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an issuer on Nasdaq First North Bond may therefore be higher than investing in an issuer on the main market. The Exchange approves the application for admission to trading.

Important information

This Company Description (the “**Company Description**”) has been prepared by Bayn Group (publ), reg. no. 556794-4797 (the “**Issuer**” or together with its direct and indirect subsidiaries from time to time (unless otherwise indicated by the context) the “**Group**”), in relation to the Issuer’s application for listing of bonds issued under the Issuer’s maximum SEK 500,000,000 senior secured callable fixed rate bonds 2021/2024 with ISIN SE0015243472 (the “**Bonds**”), of which SEK 100,000,000 was issued on 5 January 2021 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”) on the institutional segment of Nasdaq First North Bond Market at Nasdaq Stockholm (“**Nasdaq First North**”). The Issuer shall use its best efforts to ensure that the Bonds are admitted to trading on Nasdaq First North, any other MTF (including the Open Market of the Frankfurt Stock Exchange) or any regulated marketplace within 30 days of the Issue Date. Any term not defined in this Company Description shall have the same meaning as in the Terms and Conditions, unless stated otherwise. The Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under the Subsequent Bond Issue(s) and the Bond Issue equals SEK 500,000,000. Subsequent Bonds may, for the avoidance of doubt, be admitted to trading pursuant to this Company Description within one year after the approval of this Company Description by Nasdaq First North. The Issuer’s obligations under the Finance Documents are secured by the Transaction Security Documents as well as by guarantees from certain subsidiaries of the Issuer under a Guarantee and Adherence Agreement. The Company Description and the Terms and Conditions of the Bonds are available at the Issuer’s web page (<https://investors.bayneurope.com>).

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

This Company Description does not constitute a prospectus as defined in, and has not been prepared to comply with, the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and no prospectus relating to the Bonds or the admission to trading on Nasdaq First North has been or will be registered under any law or regulation. The issue of the Bonds was made in reliance upon one or several exemptions from the prospectus requirements under the Prospectus Regulation. The admission to trading of the Bonds contemplated herein is also being made in accordance with any such exemptions and is not being made to require a prospectus, registration measures or other similar measures (except as provided for under the rules for Nasdaq First North).

Certain information contained in this Company Description, including any information on the Issuer’s plans or future financial or operating performance and other statements that express the Issuer’s management’s expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Issuer or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Issuer cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Issuer to be materially different from the Issuer’s estimated future results, performance or achievements expressed or implied by those forward-looking statements.

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

This Company Description is governed by Swedish law. Disputes concerning, or related to, the contents of this Company Description shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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The liability statement of the Board of Directors

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Stockholm, 12 February 2021

Bayn Group AB (publ)

The Board of Directors

Legal and supplementary information

Significant adverse changes and recent material events

During 2020, the Group completed several acquisitions of companies, including 51 percent of the share capital, and joint influence and control through shareholding and a shareholders' agreement with the other shareholder, of Klement Spolka Z Ograniczona Odpowiedzialnosc ("**Amerpharma**") as well as 100 percent of the shares in Golden Athlete AB ("**Golden Athlete**") and indirectly Green Sales Distributions AB ("**Green Sales**") through a purchase of its holding company Green Sales NewCo AB. Please refer to the section "*Description of material agreements entered into outside of the ordinary course of business*" below for further information on the acquisition agreements.

As announced by way of press release on 7 December 2020, the Issuer has completed an issue of 9,500,000 new shares in the Issuer, directed to certain Swedish institutional investors as well as certain current shareholders, through which the Issuer received gross proceeds amounting to SEK 81,225,000. The subscription price in the directed share issue, which amounted to SEK 8.55 per share, was determined through an accelerated book building procedure. The reason for the directed share issue was to diversify the shareholder base by adding additional institutional investors and to complete a capital acquisition in a time effective manner to acquire capital for potential future acquisition and consolidation opportunities.

Description of material agreements entered into outside of the ordinary course of business

Other than the Terms and Conditions of the Bonds and apart from what is stated below, no company of the Group is a party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Issuer's ability to fulfil its obligations under the Bonds. The following is a summary of the material agreements to which the Issuer is a party and considered as outside the ordinary course of business. The following summary does not purport to describe all of the applicable terms and conditions of such arrangements.

Transaction security and guarantees

In connection with the issuance of the Bonds, security was provided in favour of the Agent and the Bondholders (represented by the Agent). The security provided consists of first ranking security, granted in favour of certain secured parties represented by Nordic Trustee & Agency AB (publ) as security agent, in respect of pledges over (i) all shares in each Initial Guarantor and (ii) all present and future money claims of the Issuer under any Material Intragroup Loan. The Issuer has further undertaken to procure that, within ninety (90) days of delivery of each

quarterly interim Financial Statements and to the extent permitted legally and under any shareholder agreements, all shares in each Guarantor have been pledged to the Agent and the Bondholders (represented by the Agent).

In addition to the transaction security, the Issuer, the Initial Guarantors and Nordic Trustee & Agency AB (publ) has on 8 February 2021 entered into a Guarantee and Adherence Agreement, whereby the Issuer and the Initial Guarantors irrevocably and unconditionally, in accordance with Swedish law, as principal obligor (Sw. *proprieborgen*), guarantee the punctual performance of the Secured Obligations. The Issuer has further undertaken to procure that, within ninety (90) days of delivery of each quarterly interim Financial Statements and to the extent permitted legally and under any shareholder agreements, any Material Group Company (other than the Issuer and the Consolidated Entity) which is not a Guarantor accedes to the Guarantee and Adherence Agreement as a Guarantor.

Share purchase agreements

As announced by the Issuer by way of press releases on 3 September 2020 and 4 December 2020, respectively, the Group has entered into an agreement for, and subsequently completed, the acquisition of 51 percent of the share capital, and joint influence and control through shareholding and a shareholder's agreement with the other shareholder, in the Polish company Amerpharma for a cash consideration of SEK 37,617,496 on a cash and debt free basis. The share purchase agreement contains several earn-out mechanisms connected to, *inter alia*, the earnings of, and dividends paid by, Amerpharma with the last earn out payment taking place in 2025.

As announced by the Issuer by way of press release on 19 November 2020, the Group has entered into an agreement for the acquisition of 100 percent of the shares in Green Sales. The consideration consisted of approximately SEK 26,000,000 in cash and 2,380,953 newly issued shares in the Issuer, corresponding to a value of approximately SEK 25,000,000. The share purchase agreement contains an earn-out mechanism connected to certain key figures in Green Sales which can amount to maximum approximately SEK 23,500,000 and which may become payable during 2021. As further announced by the Issuer by way of press release on 28 December 2020, the acquisition has now been completed.

As announced by the Issuer by way of press release on 20 November 2020, the Group has entered into an agreement for the acquisition of 100 percent of the shares in Golden Athlete for a consideration of approximately SEK 13,000,000 consisting of 731,776 newly issued shares in the Issuer, corresponding to a value of approximately SEK 7,700,000, and the remaining amount payable in cash. The share purchase agreement contain an earn-out mechanism connected to certain key figures in Golden Athlete which can amount to a maximum of approximately SEK 4,900,000 and

which may become payable during 2021. As announced by the Issuer by way of press release on 28 December 2020, the acquisition has now been completed.

Shareholders' agreements

As indicated above, the Issuer has entered into a shareholders' agreement regarding Amerpharma. The shareholders' agreement contains provisions regarding, *inter alia*, co-operation, voting and veto rights, incurrence of indebtedness and restrictions on establishment of encumbrances. As far as the Issuer is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Issuer or any Initial Guarantor.

Date of annual general meeting and publication of financial statements

The Issuer's next financial report (i.e. the 2020 year-end report (Sw. *Bokslutskommuniké*)) will be published on or about 5 March 2021. The next annual general meeting in the Issuer (i.e. the 2021 annual general meeting) will be held in or around 6 May 2021.

Legal disputes and other proceedings

Neither the Issuer nor any other Group company has during the previous twelve months, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened as far as the Group is aware) which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability. However, the Issuer was fined approximately SEK 400,000 by Nasdaq First North for insufficient investor relation (IR) communication in February 2020. The Issuer and the Group have undertaken measures to ensure that its IR communication complies with applicable rules and regulations.

Transactions with closely related parties

Except for as described below, there are no transactions between the Issuer or any Group Company and any person discharging managerial responsibilities in the Issuer, the Board of Directors, affiliates to such persons, major shareholders or any of the companies within the Group. However, the Issuer may from time to time provide services towards the Group companies within the ordinary course of business.

List of intercompany loans

The Issuer have provided intercompany loans towards (i) Monday 2 Sunday AB in an amount of SEK 4,500,000, (ii) Tweek AB (u.c.t. Bayn Retail AB) in an amount of SEK 4,000,000, (iii) Bayn Solutions AB in an amount of SEK 2,000,000 and (iv) Bayn Production AB in an amount of SEK 1,500,000.

Conditional capital contribution

Further, Monday 2 Sunday AB has previously been granted a conditional capital contribution from its previous shareholder Seved Invest AB, of which management representatives and/or owners, as applicable, consist of the CEO of the Issuer and persons closely related to the CEO of the Issuer, in an amount of approximately SEK 891,500.

Repayments of investor loans

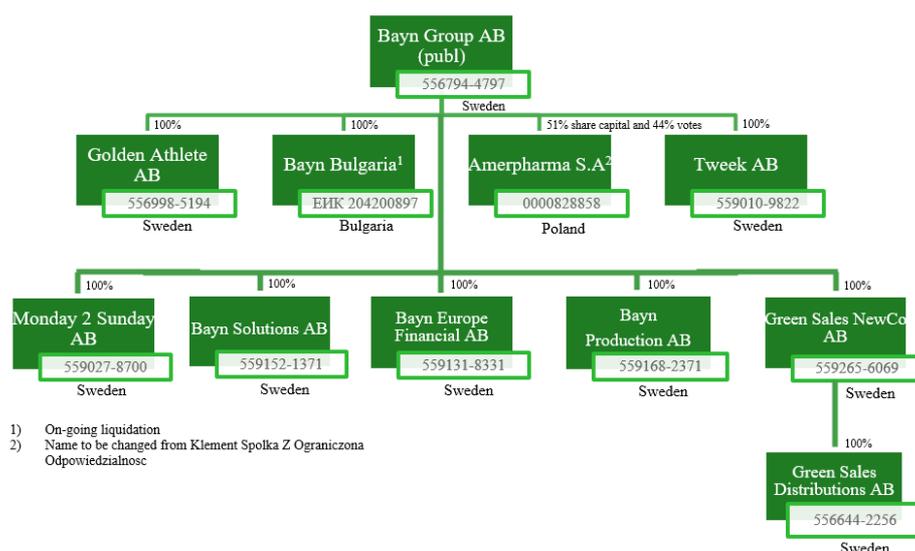
Certain investor loans incurred by the Issuer from its shareholders in an aggregate approximate amount of SEK 17,000,000 have been repaid by the Issuer with proceeds from the new share issue referred to in section “*Significant adverse changes and recent material events*” above.

Warrant programme

The Group has a warrant programme in place for certain employees of the Group (Sw. *personaloptionsprogram*) where shares may be subscribed for at a subscription price of SEK 1.33 after the vesting period. It may be noted that the Issuer’s former CEO and current COO, Patrik Edström, has been reserved 200,000 warrants.

Share capital, shares and ownership structure

As of the date of this Company Description, the Issuer's share capital amounted to SEK 27,635,148.64 divided among 125,614,312 shares. All holders of shares are entitled to one (1) vote per share. The shares are denominated in SEK. The current group structure of the Group is set out below.



The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Group. To ensure that the control over the Issuer is not abused, the Issuer complies with the Issuer's articles of association and external regulations such as the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) and the Nasdaq First North Growth Market Rulebook.

The ten largest shareholders of the Issuer as of 30 September 2020 are set out in the table below.

Shareholder	Shares and votes (per cent.)
Thomas Petrén (via Seved Invest AB)	11.00%
Håkan Roos (via RoosGruppen AB)	8.97%
Simon Petrén (via Semroen AB)	5.30%
Tommy Jönsson (via Deck Af Lilja AB)	5.03%
Första Entreprenörsfonden (via sub funds)	3.90%

Mikael Pettersson (via Dita Invest Holding AB)	3.81%
Handelsbanken Microcap Sverige	3.06%
Jörgen Larsson (via Idecap AB <i>et al.</i>)	3.00%
Nordnet Pensionsförsäkring AB	2.45%
Åsa Rosén	2.41%
Others	51.1%
Total:	100.0%

Certain members of the Issuer's Board of Directors and management hold shares in the Issuer. Chairman of the Board Peter Werme holds 4,354,949 shares, Board member Gunnar Ek holds 24,635 shares, Board member Thomas Petrén holds 12,570,000 shares, Board member Mikael A. Pettersson holds 4,512,983 shares, Board member Björn Widegren holds 57,705 shares, Board member Henrik Patek holds 22,009 shares, CEO Simon Petrén holds 6,000,000 shares, COO Patrik Edström holds 468,644 shares and CFO Johan Lennartsson holds 5,000 shares in the Issuer.

Information regarding the initial Guarantors

This Company Description regards Bonds issued by the Issuer and the obligations under the Bonds are, as further described above, guaranteed through a Guarantee and Adherence Agreement entered into by the Initial Guarantors. Each Initial Guarantor irrevocably and unconditionally, jointly and severally, guarantee (Sw. *proprieborgen*) to the Agent and each Holder (as represented by the Agent) as for its own debts (Sw. *såsom för egen skuld*) the Secured Obligations in accordance with the Guarantee and Adherence Agreement and the Terms and Conditions. The Initial Guarantors are described below and have also, along with the other Group Companies, been described above when reference has been made to “the Group” or “Group Company”, as applicable. In accordance with the Guarantee and Adherence Agreement and the Terms and Conditions, additional guarantors may accede to the Guarantee and Adherence Agreement (subject to certain conditions).

Bayn Production AB

Bayn Production AB is a limited liability company registered in Sweden with reg. no. 559168-2371, having its registered address at Industrivägen 1, SE-432 40 Varberg, Sweden. Bayn Production AB was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 16 August 2018 and conducts its business in accordance with the laws of Sweden.

Board of Directors

Peter Werme is chairman of the Board of Directors of the company and Per-Håkan, Lennart Arvidsson and Patrik Edström are ordinary members of the Board of Directors of the company.

Bayn Solutions AB

Bayn Solutions AB is a private limited liability company registered in Sweden with reg. no. 559152-1371, having its registered address at Nytorrgsgatan 17A, SE-116 22 Stockholm, Sweden. Bayn Solutions AB was registered with the Swedish Companies Registration Office on 12 March 2018 and conducts its business in accordance with the laws of Sweden.

Board of Directors

Patrik Edström is chairman of the Board of Directors of the company and Simon Petré and Johan Lennartsson are ordinary members of the Board of Directors of the company.

Tweek AB (u.c.t. Bayn Retail AB)

Tweek AB (u.c.t. Bayn Retail AB) is a private limited liability company registered in Sweden with reg. no. 559010-9822, having its registered address at Viskastigen

10, SE-432 67 Veddige, Sweden. Tweek AB (u.c.t. Bayn Retail AB) was registered with the Swedish Companies Registration Office on 20 April 2015 and conducts its business in accordance with the laws of Sweden.

Board of Directors

Patrik Edström is chairman of the Board of Directors of the company and Johan Lennartsson, Simon Petré and Åsa Rosén are ordinary members of the Board of Directors of the company.

Monday 2 Sunday AB

Monday 2 Sunday AB is a private limited liability company registered in Sweden with reg. no. 559027-8700, having its registered address at Nytorrgatan 17 A, SE-116 22 Stockholm, Sweden. Monday 2 Sunday AB was registered with the Swedish Companies Registration Office on 25 September 2015 and conducts its business in accordance with the laws of Sweden.

Board of Directors

Patrik Edström is chairman of the Board of Directors of the company and Johan Lennartsson and Simon Petré are ordinary members of the Board of Directors of the company.

Description of the Bonds

This section contains a general and broad description of the Bonds and is not a comprehensive description of the Bonds. Potential investors should therefore carefully consider this Company Description as a whole before a decision is made to invest in the Bonds. As stated under the section “Important information” above, terms not defined herein shall have the same meaning as in the Terms and Conditions, unless stated otherwise. The Terms and Conditions are available at the Issuer’s web page (<https://investors.bayneurope.com>).

Description of the Terms and Conditions

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and are debt instruments intended for public market trading, which confirm that each Bondholder has a claim against the Issuer. The Net Proceeds of the Bond Issue shall be used towards financing (i) acquisitions made by the Group, including, for the avoidance of doubt, financing of payments under vendor loans, promissory notes and earn-out payments relating to such acquisitions and (ii) financing of general corporate purposes and transaction costs of the Group and the Net Proceeds from a Subsequent Bond Issue shall be used towards the purpose set out in litra (i) above and the residual amount shall be used towards the purpose set out in litra (ii) above. The First Issue Date for the Bonds was 5 January 2021 and the Final Redemption Date of the Bonds is on 5 January 2024.

The aggregate nominal amount of the Bonds is SEK 100,000,000 represented by Bonds denominated in SEK with ISIN SE0015243472, each with a Nominal Amount of SEK 1,250,000. The minimum permissible investment in connection with the Bond Issue is SEK 1,250,000. All Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.

The Bonds have been issued in accordance with Swedish law and are affiliated to the account-based system of Euroclear Sweden AB. This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. *VP-konto*). No physical bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system.

The Issuer shall redeem all outstanding Bonds at 100.00 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless redeemed or repurchased in advance of such date in accordance with Clause 12 (*Redemption and repurchase of the Bonds*) or terminated in accordance with Clause 17 (*Termination of the Bonds*) of the Terms and Conditions.

Each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full (see further Clause 12.2 (*Purchase of Bonds by Group Companies*)) of the Terms and Conditions). The Issuer may also redeem early all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest (see further Clause 12.3 (*Early voluntary total redemption (call option)*)) of the Terms and Conditions).

Upon a Change of Control, a De-listing or a Listing Failure occurring, each Bondholder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of fifteen (15) calendar days following a notice from the Issuer of the relevant event (see further Clause 12.4 (*Mandatory repurchase due to a Change of Control, De-listing or a Listing Failure (put option)*)) of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Bondholder on the Record Date prior to the relevant payment date. Payments shall be made in SEK. The right to receive repayment of the principal amount outstanding of the Bonds is time-barred and becomes void ten years from the relevant Redemption Date.

The Bonds bear interest, at a rate of 9.50 per cent. *per annum*, from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its Issue Date (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

Interest will be payable semi-annually in arrears on 5 January and 5 July each year, with the first Interest Payment Date on 5 July 2021 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto) or, to the extent any such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Nordic Trustee & Agency AB (publ), with reg. no. 556882-1879 and address P.O. Box 7329 SE-103 90 Stockholm, Sweden, is acting as agent and security agent for

the Bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

An agreement was entered into between the Agent and the Issuer prior to the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent. The rights, obligations and the representation of the Agent are set forth in the Terms and Conditions.

Each of the Issuer, the Agent and Bondholder(s) may request that a Bondholders' Meeting is convened (see further Clause 18.2 (*Bondholders' Meeting*) of the Terms and Conditions) or request a Written Procedure (see further Clause 18.3 (*Written Procedure*) of the Terms and Conditions). Such Bondholders' Meeting or Written Procedure may, upon votes representing a relevant majority of Bondholders eligible for voting, cause resolutions to be validly passed and binding on all Bondholders.

If the Bonds have been duly declared due and payable due to an Event of Default pursuant to Clause 17 (*Termination of the Bonds*) in the Terms and Conditions, the available funds shall *firstly* be applied towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent under the Finance Documents (in its capacity as bond trustee or security agent), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents incurred by the Agent, (iii) any non-reimbursed costs incurred by the Agent for external experts under the Finance Documents (in its capacity as bond trustee or security agent), and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure under the Finance Documents, *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, *thirdly* in or towards payment *pro rata* of any unpaid principal under the Bonds and *fourthly* in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents. Any excess funds shall be transferred to the Issuer. The application of proceeds in accordance with the above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

The Bonds are freely transferrable and trading can occur from their date of issuance. Bondholders may however be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject

to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Issuer intends to apply for admission to trading of the Bonds on Nasdaq First North Bond Market within twelve (12) months of the Issue Date. The earliest date for admitting the Bonds to trading on Nasdaq First North Bond Market is expected to be on or about 16 February 2021. The fact that an application regarding admission to trading of the Bonds on Nasdaq First North Bond Market has been submitted does not mean that the application will be approved.

Description of the Transaction Security

In connection with the issuance of the Bonds, security was provided in favour of the Agent and the Bondholders (represented by the Agent). The security provided consists of first ranking security, granted in favour of the Bondholders represented by Nordic Trustee & Agency AB (publ) as security agent, in respect of:

- (i) pledges over all shares in Tweek AB (u.c.t. Bayn Retail AB) (reg. no. 559010-9822), Monday 2 Sunday AB (reg. no. 559027-8700), Bayn Solutions AB (reg. no. 559152-1371) and Bayn Production AB (reg. no. 559168-2371);
- (ii) pledges over all present and future money claims of the Issuer under any Material Intragroup Loan; and
- (iii) within ninety (90) days of (i) delivery of each quarterly interim Financial Statements and to the extent permitted legally and under any shareholder agreements, pledges over all shares in any Material Group Company (having acceded to the Guarantee and Adherence Agreement as Guarantor); and (ii) granting of any Material Intragroup Loan, all present and future money claims of the Issuer under any Material Intragroup Loan.

Guarantee and Adherence Agreement

Pursuant to the Guarantee and Adherence Agreement entered into by Issuer, the Initial Guarantors and Nordic Trustee & Agency AB (publ), the Issuer and the Initial Guarantors irrevocably and unconditionally, in accordance with Swedish law, as principal obligor (Sw. *proprieborgen*), guarantee the punctual performance of the Secured Obligations. The Issuer has further undertaken to procure that, within ninety (90) days of delivery of each quarterly interim Financial Statements and to the extent permitted legally and under any shareholder agreements, any Material Group Company (other than the Issuer and the Consolidated Entity) which is not a Guarantor accedes to the Guarantee and Adherence Agreement as a Guarantor.

Description of ranking of the Bonds

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, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them. The Bonds are secured by the Transaction Security.

Undertakings

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

- restrictions on making certain distributions;
- the Issuer shall ensure that the Initial Bonds are admitted to trading within twelve (12) months after the First Issue Date;
- restrictions on making any material changes to the general nature of the business carried on by the Group;
- restrictions in relation to incurring Financial Indebtedness;
- restrictions in relation to providing security over present or future assets of the Issuer and other Group Companies;
- restrictions on the disposal of assets, mergers and demergers;
- restrictions on providing loans other than in the ordinary course of business;
- restrictions on dealings with closely related parties;
- obligation to compliance with applicable laws and regulations;
- obligation to procure the provision of additional Transaction Security and Guarantees; and
- obligations and restrictions in relation to intellectual property rights.

Description of Bondholders' representation and exercise of rights

Nordic Trustee & Agency AB (publ) is the initial Agent. Even without a separate authorisation from the Bondholders and without having to obtain any Bondholder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Bondholders in every matter concerning the Bonds and the Finance Documents. The Agent is authorised to act on behalf of the Bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request of the Agent.

Limitations of Bondholders' exercise of rights

In accordance with the Terms and Conditions, the Agent will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer (unless it is explicitly stated otherwise in the Terms and Conditions). Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. To enable the Agent to represent Bondholders in court, the Bondholders may have to submit a written power of attorney for legal proceedings. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

Details of any credit rating

Neither the Issuer nor the Bonds have a credit rating from an international credit rating institute.

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