



BILIA AB (PUBL)

PROSPECTUS

FOR ADMISSION TO TRADING OF

SEK 500,000,000 SENIOR UNSECURED FLOATING RATE BONDS

ISIN: SE0014829784

Issuing agent:

DNB Bank ASA, filial Sverige

This prospectus was approved by the Swedish Financial Supervisory Authority on 4 November 2020. The validity of this prospectus will expire 12 months after the approval, provided that it is completed by any supplement required pursuant to Article 23 of Regulation (EU) 2017/1129. The Company's obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this prospectus is no longer valid.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Bilia AB (publ), a public limited liability company incorporated in Sweden, having its headquarters located at the address Norra Långebergsgatan 3, 421 32 Västra Frölunda, Sweden, with reg. no. 556112-5690 (the “**Company**”, “**Bilia**” or the “**Issuer**”) (together with its subsidiaries unless otherwise indicated by the context, “**Bilia Group**”), in relation to the application for listing of SEK 500,000,000 senior unsecured floating rate bonds with ISIN: SE0014829784 (the “**Bonds**”) on Nasdaq Stockholm AB (“**Nasdaq Stockholm**”). DNB Bank ASA, filial Sverige has acted as issuing agent in connection with the issue of the Bonds (the “**Issuing Agent**”) and DNB Bank ASA, filial Sverige and Nordea Bank Abp, filial i Sverige has acted as arrangers and joint bookrunners (jointly, the “**Arrangers**”).

This Prospectus has been prepared in accordance with the standards and requirements under 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 the rules and regulations connected thereto, as applicable. This Prospectus 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 shall be read together with all documents which have been incorporated by reference (see “*Documents incorporated by reference*”) and any supplements to this Prospectus. This Prospectus will be available at the Swedish Financial Supervisory Authority’s website www.fi.se and the Company’s website www.bilia.com. Paper copies may be obtained from the Company. Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds in this Prospectus (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. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, any references made to “**EUR**” and “**Euro**” refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to “**SEK**” refer to Swedish krona.

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 of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such 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 Bilia 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 Bilia 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 Bilia Group’s present and future business strategies and the environment in which Bilia 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 Bilia Group’s operations. Such factors of a significant nature are mentioned in the section “Risk factors” below.

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Risk factors

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

The risk factors are presented in categories where the most material risk factors in a category are presented first under said category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

RISKS RELATED TO THE ISSUER

Risks related to the Company and Bilia Group

1.1 Macroeconomic risk

Demand for Bilia Group's products and services are influenced by fluctuations in the business cycle. The patterns of demand and the market trends are affected by several general factors outside Bilia Group's control, such as the labour market situation, stock market performance, opportunities for customers to obtain financing, governments regulations, interest rates and fuel prices. Bilia Group conducts its business in Sweden, Norway, Germany, Luxembourg and Belgium. A deterioration in the economic conditions globally, and/or in each specific market where Bilia Group operates may reduce demand for Bilia Group's products and services. Sweden is Bilia Group's main market where 94 out of Bilia Group's 136 facilities are located. Further, in 2019, 60% of Bilia Group's annual turnover was generated on the Swedish market, and the turnover on the Norwegian market made up for 26% of the annual turnover. Bilia Group is thus particularly sensitive to deteriorations in the Nordic region.

Bilia Group's car business, which comprises sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance (the "**Car Business**"), generated approximately 77% of Bilia Group's net turnover and 28% of the operational earnings in 2019. The Car Business is highly influenced by changes in the business cycle. In a recession, some customers may choose to postpone or cancel their car purchase. Reduced demand for cars may also affect the value of cars in stock and cars sold with guaranteed residual values.

Moreover, in the event of a deep economic downturn, for the same reasons, there is a risk that Bilia Group's service business, which includes services and concepts that simplify

car ownership, such as workshop services, spare parts, wheel storage, car dismantling, store sales and online sales (the “**Service Business**”), would be adversely affected. The Service Business alone generated 76% of Bilia Group’s operational earnings in 2019, while it represented around 24 % of the net turnover. Thus, a decrease in the demand for Bilia Group’s car services may cause Bilia Group’s earnings to decrease significantly.

Events, such as natural disasters and pandemics, can have significant consequences for Bilia Group’s turnover, through direct or indirect consequences such as closure of facilities, product shortage, economic down turn and/or impact on own production. As a result of the current COVID-19 outbreak, Bilia Group has noted a significant decrease in demand for new cars in Sweden and western Europe. The extent of the risk posed by the current COVID-19 outbreak is yet unclear. Yet, there is a significant risk that Bilia Group is adversely affected by the outbreak of COVID-19 directly, e.g. through restrictions from authorities causing Bilia Group difficulties to conduct its operations, and through its impact on Bilia Group’s customers, business partners and counterparties, as a result of i.a. decline in economic activity, restrictions on travel and increased un-employment. Aforementioned circumstances are likely to have an adverse effect on demand for cars and Bilia Group’s services. The fact that Bilia Group conducts its business on several markets and in more countries than just one, means that Bilia Group may, to some extent, be vulnerable to local restrictions and the development of the pandemic in case of a global pandemic.

1.2 Risks related to authorisation and sales agreements

Bilia Group’s core business consists of distribution and servicing of cars and transport vehicles in Sweden, Norway, Germany, Luxembourg and Belgium. The Car Business, generated approximately 77% of Bilia Group’s net turnover and 28 % of the operational earning for 2019. For new car sales through new and existing facilities, Bilia Group needs the approval from the respective general agent, as there are no special rules governing competition for new car sales in the EU. A car manufacturer and/or general agent can unilaterally recall a sales authorisation and terminate the sales agreements with Bilia Group. Most of Bilia Group’s sales authorisation agreements with general agents run for an in-definitive period and may be terminated by either party subject to notice. Volvo, BMW and Toyota are the largest car manufacturers/general agents for Bilia Group. Bilia Group is particularly dependent on its continued ability to deliver Volvo and BMW cars, since about 40% of all new cars delivered by Bilia Group in 2019 were Volvo cars and approximately 30% were BMW cars. Thus, a recall or termination of authorisation agreements, a changed content and/or balance between the manufacturer/general agent in respect of Volvo, BMW or Toyota would cause Bilia Group’s turnover and earnings to decrease. Further, a car manufacturer and/or general agent can become insolvent with disturbance in deliveries and uncertainties in the market as a result.

Specifically, there is a risk that Bilia Group’s sales authorisation is recalled, and that the sales agreement is terminated due to the car manufacturer and/or general agent moving, fully or partly, into own sales channels – particularly digital sales channels. Bilia Group

also has digital sales channels for used cars and accessories. However, these digital sales channels do not comprise a significant part of Bilia Group's net sales. Some car manufacturers/ general agents have recently established own digital sales channels and announced a future target for direct sales of cars to customers. In September 2020, Volvo Cars AB announced the acquisition of a car retailer in Sweden, for the purpose of, according to Volvo Personvagnar AB, complement their current digital sales of cars. If and to what extent a car manufacturer/general agent, which Bilia Group is collaborating with, moves, fully or partly, into own sales channels, or indirectly via e.g. subsidiaries, there is a risk that e.g., Bilia Group's sales will decrease significantly.

1.3 Development of the Service Business and cars sold by Bilia Group

Bilia Group's business is dependent on Bilia Group's ability to develop services that appeal to Bilia Group's customers. Bilia Group's Service Business accounted for 76% of Bilia Group's operational earnings 2019. There is a continued need to recruit more technicians to meet the demand for servicing due to, e.g. new technologies, since the Service Business is rapidly growing (please refer to the risk factor "*Key employee dependency*"). The annual turnover for the Service Business grew by around 9 % in 2019. The development work requires resources and the ability to develop such new services is reliant on that Bilia Group has the size, structure and financial strength required. One of the challenges for the continued results from Bilia Group's Service Business, is the increased number of electric cars in the relevant market, since electric cars are believed to bring lower servicing turnover than cars that run on fossil fuels. Bilia Group expects the frequency of electric cars to increase during the coming years and it will need to adapt its business to not only be able to keep growing the Service Business at the current rate, but also to maintain earnings at the current level.

Moreover, Bilia Group is dependent on the ability of the group's business partners, in particular Volvo, BMW and Toyota, to develop competitive products that incorporate the technological advances. One example is development of car models in line with the ongoing discussion about sustainable fuel alternatives. The current tax systems on environmental friendly cars, especially in Sweden and Norway, increase the demand on car models that fulfils these requirements. Future technological development of the products can influence Bilia Group's Service Business, for example in relation to the complexity of the products and/or motor technique (please refer to the risk factor "*Development of the Service Business*"). Should the products not meet the requirements of the market, or if the preferences among Bilia Group's customers would change in an unforeseen way, it would lead to additional costs and decreased earnings for Bilia Group.

1.4 Risk for loss of strategic business locations

Bilia Group leases some of its facilities used for sales and service of cars and office equipment. At the end of 2019 Bilia Group leased premises of a total of 480,000 square meters. As a tenant, Bilia Group runs the risk of not having its lease renewed at the end

of the rental period. The premises leased by Bilia Group have been selected for their strategic locations and have been adapted to meet Bilia Group's specific requirements; 75% of the facilities in Sweden and Norway are certified according to ISO 14001. During the past three years, lease contracts for two significant strategic locations; Haga Norra in Stockholm and Ökern in Oslo, have been renewed or replaced. Even though Bilia Group successfully managed to replace these specific leases, should Bilia Group, in the future, not manage to renew lease contracts in respect of suitable premises at strategic business locations, or successfully replace such premises, it would lead to additional costs and possibly, loss of customers and thus sales for Bilia Group.

1.5 Dependency on subsidiaries

The Company is the ultimate parent company in Bilia Group and does not conduct any income generating business operations of its own. This means that the Company's ability to make required payments of interest on its debts and funding is directly affected by the ability of its subsidiaries to transfer available cash resources to it. The Company itself does not provide a considerable part of Bilia Group's turnover nor generate any positive contribution to Bilia Group's operating earnings. In 2019, the profit from the Company recorded an operating loss in the amount of SEK -84,000,000, whereas Bilia Group's operating profit amounted to SEK 1,125,000,000. Thus, the Company's subsidiaries generate a considerable share of Bilia Group's operational earnings. The transfer of funds to the Company from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries. There is a risk that limitations or restrictions on the transfer of funds between companies within Bilia Group, becomes more restrictive in the event that Bilia Group experiences difficulties with respect to liquidity and its financial position.

1.6 Key employee dependency

Bilia Group has several key employees in leading positions, such as operational managers. They contribute with high expertise and long business experience, which is important for the development of Bilia Group's operations. If several of these key employees would leave Bilia Group simultaneously it could negatively affect Bilia Group's business, results and financial status. Most key employees may terminate their employments with Bilia Group subject to 6 months' notice.

Moreover, several of Bilia Group's employees are directly or indirectly involved in the development of new services and concepts (please refer to the risk factor "*Development of the Service Business*"). If Bilia Group is not successful in recruiting and keeping competent people that contribute to such development within Bilia Group, it may reduce the possibilities of future growth and continued earnings, specifically within the Service Business – a business segment which had an annual turnover growth of approximately 9% during 2019.

1.7 Acquisitions

A part of Bilia Group's strategy is to work actively with the acquisition of companies and businesses, and strategic acquisitions will continue to be a part of Bilia Group's growth strategy in the future. During the past few years Bilia Group has performed several acquisitions. In 2018, Bilia Group acquired Bilsalongen AS, a BMW and MINI dealership in Norway. During 2018 the operation contributed with approximately SEK 276,000,000 in turnover and SEK 4,000,000 in operating profit. Further, in 2019 Bilia Group acquired Jensen & Scheele Bil AS, a Volvo dealership in Norway. During 2019 the operation contributed with around SEK 278,000,000 in turnover and SEK 9,000,000 in operating profit. Moreover, on 20 August 2020 Bilia Group concluded an agreement to acquire Jönköpings Bildemontering AB, Ecris AB and the real estate company Riddersbergs Fastighets AB. Whether Bilia Group realises the anticipated benefits from each transaction depends, in part, upon the integration between the businesses involved, the performance and development of the underlying products, capabilities or technologies, Bilia Group's correct assessment of assumed liabilities and the management of the operations in question. Accordingly, Bilia Group's financial results could be adversely affected by unanticipated performance and liability issues, transaction-related charges, amortisation related to intangibles, warranties, charges for impairment of long-term assets and partner performance.

Bilia Group is constantly evaluating add-on acquisitions. There is a risk that some acquisitions do not develop as planned or benefit Bilia Group's operations as anticipated prior to the acquisition. Dilution of a company's brand, lack of understanding of the target company's business and many other factors in connection with corporate acquisitions may prevent post integration-plans from being properly executed. Further, if acquisitions do not develop as foreseen, it will result in decreased earnings and possibly affect Bilia Group's financial condition.

1.8 Risks related to IT systems and processes

Bilia Group's ability to effectively and securely manage business-critical operations highly depends on its IT systems, including the IT Infrastructure, and processes working well and without interruption. There is a risk, that these systems will be disrupted by, for example, software failures, computer viruses, hacking, ransomware, sabotage and physical damage, and the high pace of change in the overall IT environment introduces increased risks of data breaches. For the performance of all of Bilia Group's internal communication and the possibility to conduct all forms of work within Bilia Group, and for the maintenance of all external communication and customer relations, the everyday functionality of the IT system is of vital importance. For the everyday performance of selling new and used cars, as well as the performance of the service offered within the Service Business, the functionality of the IT systems and processes is essential. For the employees of Bilia Group the access to the IT systems enables them to process clients and offer them the support and information necessary to adhere to the demands of the customers. A malfunction within these areas therefore constitutes a risk that would

severely impair the performance of Bilia Group and of the services offered towards the customers. There is also a risk that such a failure, or major disruption or difficulties in maintaining, upgrading and integrating these systems, may lead to a worsened reputation for Bilia Group among its customers. Further, some updates of Bilia Group's operating systems are conducted by external suppliers which means that Bilia Group is dependent on the functionality of the IT systems provided by such suppliers. Bilia Group also uses the externally provided cloud-based service Azure to store information. Furthermore, any intrusion into Bilia Group's IT systems, for example, from increasingly sophisticated attacks by cybercrime groups, could disrupt its business, result in the disclosure of confidential information and/or create significant financial and/or legal exposure and the risk for damage to Group's reputation and/or brand. The degree to which IT failures and the materialisation of any IT risk may affect Bilia Group is uncertain and presents a significant risk to Bilia Group's operations.

1.9 Relationship with the unions

Parts of Bilia Group's workforce are members of, and represented by, various trade unions. Most of Bilia Group's employees in Sweden and Norway, are members in trade unions which gives the relevant trade unions significant influence over business decisions in the employing companies and Bilia Group. There is a risk that conflicts occur between Bilia Group and these unions. If such conflicts were to result in strike or lockout, this could cause interruptions in Bilia Group's product and service offering. Bilia Group currently maintains a workforce of approximately 5000 employees divided in 5 countries. About 70% of these employees are employed within the Service Business, a segment which generated approximately 76% of Bilia Group's total operational earnings in 2019. Continued operations within the Service Business is dependent on the employees' presence and performance. Conflicts in Bilia Group's relationship with the unions resulting in e.g. a strike, would therefore pose a significant risk to Bilia Group's continuous operations.

1.10 Warranties

Bilia Group has warranty obligations to its customers. There is a risk that the allocations made in the current administration of those commitments proves not to be sufficient. If materialised, there is a risk that it will cause a negative impact on Bilia Group's earnings and financial position. At year-end 2019, Bilia Group had outstanding warranty accruals amounting to SEK 59,000,000. A materialisation of warranties in excess of the outstanding warranty accruals would affect Bilia Group's earnings.

1.11 Insurance risk

Bilia Group's current insurances do not cover loss, liabilities or damages incurred by the group as a result of cyber-related causes (please refer to the cyber risks described under the risk factor "*Risks related to IT systems and processes*"). Further, there is a risk that Bilia Group's current insurance, in certain circumstances, does not provide adequate

coverage and/or that it is subject to certain deductibles, exclusions or local insurance lack of capacity. Thus, there is a risk, particularly if a cyber risk is materialised, that Bilia Group will have to bear the full or partial amount of losses, damages and liabilities because of insufficient insurance coverage, which will increase Bilia Group's costs.

Legal and regulatory risks

1.12 Legislation and regulations

Bilia Group's main markets are subject to extensive regulation, specifically the parts of Bilia Group's activities which can have an environmental impact such as fuel sales, car washing, paint shops and large workshops. In Sweden, such activities must be reported under the Swedish Environmental Code (Sw. *Miljöbalken*). The business that requires authorisation subject to the Swedish Environmental Code includes handling of fuels, oils and chemical products as well as sale of fuels, and car washes. There is a risk that more stringent environmental requirements relating to above-mentioned activities will come into force, which could require the group to change its methods and use of chemicals within the Service Business and fuel business which comprise the sale of fuels and car washes (the "**Fuel Business**"). In turn, this may lead to increase costs for Bilia Group.

Moreover, there is a significant risk that measures and restrictions taken by authorities, legislators or other regulatory bodies in order to mitigate the risks posed by COVID-19 (please refer to the risk factor "*Macroeconomic Risk*"), hinders Bilia Group from conducting its business as intended, and maintain its profitability and results. In turn, Bilia Group's liquidity and financial condition may be adversely affected (please refer to the risk factor "*Financing and liquidity risk*").

Further, there is a risk that Bilia Group's operations are negatively affected by changes in regulations, taxes, custom duties, tariffs, charges and subsidies, price and currency controls, and public law regulations and restrictions in the countries where Bilia Group operates (please refer to the risk factor "*Tax Risks*"). Also, new tax regulations regarding subsidization of electric cars within some countries can affect Bilia Group and its business. Bilia Group noted an increase in demand for electric and hybrid cars in Sweden during 2019, most possibly due to a new tax system, further, the demand for electric cars remained high in Norway, likely as a result of the prevailing tax system. Disadvantageous amendments to such legislation, and/or other similar regulations, will affect patterns of demand from the consumers and could result in decreased earnings for Bilia Group.

1.13 Legal disputes, claims, investigations and injunctions

Bilia Group is, from time to time, involved in legal disputes, and subject to investigations and injunctions from authorities. For example, an insurance company has made a claim for recourse from Bilia Group, due to damages caused by a vehicle delivered by a subsidiary of the group. However, Bilia Group is not currently a party to any legal procedures or arbitration proceedings that have or have recently had a significant impact

on Bilia Group's financial position or profitability. Nor is the Board of Directors of Bilia Group aware of any circumstances that might lead to such legal procedures or arbitration proceedings.

There is a risk that Bilia Group, or any of its trading partners, in the future becomes involved in legal processes with a negative outcome for Bilia Group, which results in increased cost for Bilia Group and depending on the nature of the dispute or injunction, damages to the group's reputation.

1.14 Risks relating to privacy legislation regarding the processing of personal data

Bilia Group's operations involves the processing of personal data, which means that Bilia Group is required to comply with applicable privacy legislation regarding the collection and processing of information primarily related to customers and employees of Bilia Group. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ("**GDPR**") has been applicable in all EU member states and has as such replaced previous national personal data legislation. GDPR entails extensive changes to the EU personal data regulation, with a strengthening of individual rights, stricter requirements on companies handling personal data and stricter sanctions with considerable administrative fines. The adherence to the new regulation, GDPR, is of vital importance and a failure to do so stipulates a risk that Bilia Group will be required to pay considerable sanctions. The sanctions could be as high as 4% of Bilia Group's total turnover. Based on the figures for 2019, payable sanctions would amount to about SEK 1,200,000,000. In addition to this, damages to individuals could also be forced to be paid. Therefore, if Bilia Group is unable to comply with legislation regarding privacy and personal data, sanctions or other penalties may be imposed, which severely could entail increased costs and reputational damage to Bilia Group.

1.15 Tax risks

Bilia Group operates in multiple tax jurisdictions. Its' business is being performed in Sweden, Norway, Germany, Luxembourg and Belgium, and its operations are conducted in accordance with Bilia Group's understanding and interpretation of applicable tax legislation, tax treaties and other regulations in all mentioned jurisdictions, as well as in accordance with Bilia Group's understanding and interpretation of the relevant tax authorities. There is a risk that Bilia Group's understanding and interpretation of the mentioned laws, treaties and regulations, is not performed correctly. In addition to this, there is a risk that the tax authorities in the separate countries take decisions and make assessments that differ from those conducted by Bilia Group. If a governmental authority successfully makes negative tax adjustments with regard to an entity of Bilia Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or

administrative practice in relation thereto change, including with retroactive effect, Bilia Group's past or current tax positions may be challenged. Bilia Group is constantly seeking opportunities to expand their business. As mentioned above, Bilia Group has during the later years acquired companies in countries outside of Sweden and their wish is to continue with a similar approach to expand their business. This also imposes the risk of having to operate within new jurisdictions and thereby having to understand and interpret even more tax regulations, and thereby expose Bilia Group for new and unknown risks.

1.16 Environmental risks

Bilia Group own 11 properties, which entail environmental risks. Further, under Swedish law, a party who has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such a party is not able to carry out or pay for the remediation of the contaminated property, a party who has later acquired the property, if any, and had knowledge of the contamination at the time of acquisition or is deemed to ought to have detected it, will be liable for remediation. Considering that Bilia Group provide fuel sales, car washing, paint shops and large workshops, activities that must be reported under the Swedish Environmental Code (please refer to the risk factor "*Legislation and regulations*"), there is a risk that Bilia Group's operations will contaminate sites and that the group is held liable for such remediation. In respect of e.g. car washing, the waste water from these facilities passes through separators to eliminate the risk of heavy metals, oil and chemicals leaking out into the natural landscape. Similar heavy metals, oil and chemicals can occur in the waste water from our wheel washers and scrubbers. Bilia Group's activities, together with the risk of liability for previous businesses, constitutes a risk for remediation claims in respect of properties acquired or possessed by Bilia Group, which depending on the scope and specific details of the contamination, could entail significant costs for Bilia Group.

Financial risks

1.17 Valuation risk in relation to certain assets

Bilia Group has assets and liabilities that are initially valued using different expertise, such as e.g. goodwill and trademark. At the end of 2019, Bilia Group's goodwill was valued to SEK 847,000,000 (an increase of SEK 5,000,000 compared to 2018), comprising approximately 9% of Bilia Group's total non-current assets in 2019. The valuation models used for the calculations of e.g. goodwill and trademarks are complex and based on forward looking assumptions, which give rise to a risk of wrong conclusions due to assumptions being used for the valuation models. In 2019 an impairment of intangible assets, including goodwill, of SEK 20,000,000 was made in relation to the German operations, due to changed forward-looking assumptions. Considering the significance of the goodwill in Bilia Group's balance sheet, any goodwill impairments could have a significant impact on the financial result for the Bilia Group.

1.18 Currency risk

Bilia Group is exposed to different types of currency risks, meaning that Bilia Group could suffer losses due to adverse currency movements. Bilia Group is exposed to foreign exchange rate risk mainly from Euro (“EUR”) and Norwegian Krone (“NOK”). The foremost exposure comes from currency risk fluctuations on translation of the assets and liabilities of foreign subsidiaries to the Company’s functional currency, called translation exposure. Another exposure that Bilia Group is subject to, is cash flow from loans and investments in foreign currencies, called financial exposure.

For example, based on the figures for 2019, a change in the exchange rate for NOK and EUR by +/- 10% against SEK, the pre-tax impact would be +/- SEK 28,000,000 against the NOK, and +/-SEK 10,000,000 against EUR. Adverse exchange rate movements could therefore have a material adverse effect on Bilia Group’s financial position and results of operations.

1.19 Interest rate risk

Interest rate risk is defined as a decrease in profits caused by a change in market interest rates. Bilia Group’s sources of funds are primarily equity, cash flow from operating activities and borrowings. Interest rate risk arises when the interest rates cannot be changed simultaneously on the funding and lending sides. A deterioration of Bilia Group’s net interest due to an unfavourable and significant change in Bilia Group’s funding costs (which is not a result of a change in the market rates) could have a material adverse effect on Bilia Group results of operations. Currently Bilia Group’s borrowings mainly have floating rate which means that Bilia Group is exposed to interest rate risk. As of 31 December 2019, a general increase in the interest rate by 1 percentage point was expected to reduce Bilia Group’s profit before tax exclusive IFRS 16 by approximately SEK -19,000,000. Higher market interest rates would thus result in increased interest costs for Bilia Group.

1.20 Financing and liquidity risk

Bilia Group is exposed to different types of financing risks relating to Bilia Group’s existing loans, including debenture loans, and other financial liabilities. The existing credits, include i.a. Bilia Group’s credit facilities of SEK 1,500,000,000 with DNB Bank ASA, filial Sverige and Nordea Bank Abp, filial i Sverige, for which Bilia Group has provided collateral securities. Further, Bilia Group has issued unsecured bonds at several occasions, which will mature in the period 2021- 2023. The total amount outstanding of such previously issued bonds (excluding the Bonds) was, at year-end 2019, SEK 1,300,000,000.

In order to meet its future capital needs Bilia Group is dependent on sufficient cash flows, liquid assets and external capital. The availability of external capital is not always in the control of Bilia Group since the availability depends on credit availability within the

financial markets, Bilia Group's credit capacity, general market conditions and credit rating. Bilia Group is influenced by the global and national economic situations, and deterioration in the economy could affect Bilia Group's cash flow (please refer to the risk factor "*Macroeconomic Risk*"). The availability of external capital could also be affected by the fact that in the contractual agreements with the banks, there are restrictions regarding Bilia Group's right to provide collateral or guarantees. There is thus a risk that Bilia Group, due to lack of liquid funds and the failure to generate sufficient cash flow, cannot meet its payment obligations at maturity due to insufficient liquidity, or that Bilia Group is unable to obtain requisite financing and/or refinance its existing loans on acceptable terms. A failure to meet its current or future financial commitments and to renew or refinance current or future credit facilities on acceptable terms and conditions, would in turn have an adverse effect on Bilia Group's liquidity and financial position.

1.21 Credit risk

Bilia Group is subject to exposure to different credit risks. Cars sold by Bilia Group are, to a great extent, financed by Volvofinans AB, either through leasing or purchase on credit agreements. Bilia Group's rights and liabilities under the finance agreements are assigned to Volvofinans AB. Should the customer be in default with the payment terms of the finance agreement, Volvofinans AB has a right to reassign the agreement to Bilia Group. Hence, Bilia Group assumes a credit risk if the customer's debt exceeds the residual value of the car. There were, at the end of 2019, contracts with a recourse obligation for Bilia Group amounting to approximately SEK 6,400,000,000.

Further, Bilia Group's customers may default on their obligations, entailing that payment will not be received for trade receivables. Such a risk constitutes a customer credit risk. There is a risk that Bilia Group's customers do not fulfil their obligations towards Bilia Group, and as a consequence, negatively impact Bilia Group's operations, earnings and financial position. At the end of 2019, Bilia Group possessed trade receivables to a total amount of approximately SEK 1,400,000,000.

In addition, there is a risk that defaults by, or the insolvency of, certain subsidiaries of the Company results in the obligation of the Company to make payments under parent company guarantees. If the risk is materialised, it would adversely affect the Company's financial position. With the Company being dependent on its subsidiaries (please refer to the risk factor "*Dependency on subsidiaries*"), the Company and the business of Bilia Group would be negatively affected by defaults or insolvencies amongst the subsidiaries.

RISKS RELATED TO THE BONDS

1.22 Credit risk

The Bonds represent an unsecured obligation of the Company and an investment in the Bonds carries a credit risk relating to the Company and Bilia Group. If the Company's financial position deteriorates it is likely that the credit risk associated with the Bonds

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

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

1.23 Risk related to interest rate structure and benchmarks

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

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

1.24 Risks relating to admission to trading

The Company has undertaken to ensure that the Bonds are admitted to trading on a regulated market within 120 days from the First Issue Date. However, there is a risk that the Bonds will not be admitted to trading on a regulated market.

Furthermore, even if the Bonds are admitted to trading on a regulated market, there is not always active trading in the securities. Hence, there is a risk that the Bonds may not always be actively traded, especially considering the relatively high nominal amount of each Bond; SEK 2,000,000. Consequently, there is a risk that the Bondholders will be unable to sell their Bonds when desired or at a price level which allows for a profit. Moreover, there is a risk that lack of liquidity in the market has an adverse effect on the market value of the Bonds.

1.25 Structural subordination and insolvency of subsidiaries

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

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

1.26 No action against the Company and bondholders' representation

Subject to the Terms and Conditions, the Agent will represent all Bondholders in relation to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Thus, 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 could negatively impact an acceleration of the Bonds or other action against the Issuer.

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

Statement of Responsibility

The issuance of the Bonds was authorised by resolutions taken by the Board of Directors of the Company on 16 September 2020 and was subsequently issued by Bilia on 1 October 2020.

This Prospectus has been prepared in connection with Bilia's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation.

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

The Company is responsible for the information given in this Prospectus. The Company is the source of all company specific data contained in this Prospectus and neither the bookrunners nor any of their representatives have conducted any efforts to confirm or verify the information supplied by the Company.

There is no information in this Prospectus that has been provided by a third party. The Board of Directors confirms that, to their best knowledge, the information contained in this Prospectus, including the registration document and the securities note, is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Gothenburg, 4 November 2020

Bilia AB (publ)

The Board of Directors

The Bonds in Brief

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

Issuer: Bilia AB (publ), a Swedish public limited liability company with Reg. No 556112-5690.

Bonds: Senior unsecured floating rate bonds in a maximum aggregate nominal amount of SEK 1,500,000,000.

Each Bond has a Nominal Amount of SEK 2,000,000.

Bonds to be admitted to trading: This Prospectus relates to admission to trading of the 250 Bonds issued by the Issuer on the First Issue Date, an aggregate total nominal amount SEK 500,000,000.

ISIN: SE0014829784

Issue Date: 1 October 2020

Issue Price: The Bonds are issued at a price equal to 100 per cent. of the Nominal Amount.

Interest: Interest on the Bonds will be paid at a floating rate of STIBOR (3 months) plus 1.7 per cent. per annum.

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

Benchmark Regulation: The interest payable under the Bonds is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.

As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“**SFBF**”) which provides STIBOR, assumes overall responsibility of and is the principal for STIBOR, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional

provisions in article 51 of the Benchmark Regulation apply, such that the SFBF is not currently required to obtain authorisation or registration.

Interest Payment Dates: 1 January, 1 April, 1 July, 1 October each year, or to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention, commencing on 1 January 2021. Interest will accrue from (but excluding) the First Issue Date, and 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). The last Interest Payment Date shall be the relevant Redemption Date.

Nominal Amount: The Bonds will have a nominal amount of SEK 2,000,000.

Status of the Bonds: The Bonds are denominated in Swedish Krona 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 unsecured obligations of the Issuer and shall at all times rank *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.

Use of proceeds: The Issuer shall use the Net Proceeds from the issuance of the Initial Bonds (i) for the market repurchase of all or some of the outstanding SEK 1,000,000,000 senior unsecured 2016/2021 bonds with ISIN SE0008186886 and (ii) for general corporate purposes of the Group (including acquisitions). The Net Proceeds from the issuance of any Subsequent Bonds Issue shall be used to finance general corporate purposes (including acquisitions).

The Net Proceeds from the issuance of any Subsequent Bonds Issue shall be used to finance general corporate purposes.

Listing: The Issuer has the intention to list the Bond Loan represented by the Initial Bonds and any Subsequent Bonds (as applicable) on the corporate bond list of Nasdaq Stockholm within thirty (30) days after the First Issue Date, or in respect of Subsequent Bonds, following the relevant subsequent issue date.

Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Bonds are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then

	applicable regulations of the Regulated Market and the CSD, subsist.
Central Securities Depository (CSD):	<p>The Issuer's central securities depository and registrar in respect of the Bonds, from time to time, is initially, Euroclear Sweden AB ("Euroclear"), Swedish Reg. No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.</p> <p>The Bonds will be connected with the account-based system of Euroclear, for the purpose of having the payment of interest and principal managed by Euroclear. The Bonds have been registered for the Bondholders on their respective Securities Accounts and no physical notes have or will be issued.</p>
Agent:	Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.
Transferability:	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.
Redemption Date:	<p>The Final Maturity Date is 1 October 2025.</p> <p>The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.</p>
Prescription:	<p>The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date.</p> <p>The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.</p>
Rights:	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.
Governing law:	The governing law of the Bonds is Swedish law.
Credit rating:	The Bonds have not received any credit rating.

Information about the Company

Description of Bilia AB (publ)

Bilia AB (publ), is a Swedish public limited liability company established on 14 September 1967 and registered with the Swedish Companies Registration Office, with registration number 556112-5690, in 1984. The Company's legal and commercial name is Bilia AB (publ) and its Legal Entity Identifier (LEI) code is: 2138002GW5WN1UYZAO32. Bilia's registered office is Box 9003, 400 91, Gothenburg, Sweden. Bilia's operations are regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Bilia's class A-shares are listed on Nasdaq Stockholm.

The Company's website is www.bilia.com. Please note that the information on Bilia Group's website does not form part of this Prospectus.

In accordance with the current articles of association of the Company, adopted on 22 of June 2020, the object of the Company is – directly or via subsidiaries – to:

- Carry on trade and distribution activities with regard to means of transport, carry on manufacture, trade and distribution in other product areas as well.
- Carry on sales of service and spare parts associated with the products.
- Manage real and movable estate, including shares.
- Carry on financing activities (except that the company shall not carry on such activities as are referred to in the Banking Business Act, and that activities subject to the provisions of the Act on Credit Market Companies may only be carried on in subsidiaries).
- Carry on other activities consistent with the above types of business.

Business overview

Business concept

Bilia Group's business concept is to offer car service, car sales and supplementary services that give the customers lasting added value. Bilia Group is a full-service supplier with a wide range of services, a One Stop Shop offering everything related to owning a car.

Bilia Group is one of Europe's largest car dealership chains and provides servicing and sales of cars and transport vehicles plus supplementary services such as financing and insurance. As of October 2020, Bilia Group has 136 facilities Sweden, Norway, Germany, Luxembourg and Belgium in addition to two online auction sites directed to Sweden and Norway respectively. A part of Bilia Group's strategy is to expand its business via acquisitions.

Bilia Group's Service Business includes a well-developed range of services and service concepts that are continuously developed to simplify car ownership for the customers. The Service Business includes workshop services, spare parts, store sales and e-commerce. There is a continued need to recruit more technicians to meet the demand for servicing. As for challenges within the Service Business, new technologies place demands on ongoing employee training. One long-term challenge

is that electric cars are believed to bring lower servicing turnover than cars that run on fossil fuels. The number of electric cars sold is expected to increase in the years ahead, provided the tax systems are favourable. Bilia Group plans to gradually adapt its business in line with the changing stock of cars.

Bilia Group's Car Business includes sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance. Bilia Group sells cars from Volvo, BMW, Toyota, Lexus, MINI, Dacia, Renault and Alpine and transport vehicles from Renault, Toyota and Dacia. As for challenges within the Car Business, if the market slows down, it could have an adverse effect on sales of new cars. Sales of used cars do however tend to increase in a market with lower sales of new cars. The sales of new cars are dependent on continuing agreements together with general agents which allows Bilia Group to continue to sell cars of the respective general agent's brands.

Bilia Group's Fuel Business comprises the sale of fuels and car washes. As for challenges within the Fuel Business, Bilia Group has experienced some difficulties with obtaining approval for new locations so as to extend service and replace facilities that have been closed. Further, the increasing number of electric and hybrid cars could affect fuel sales in the longer term.

Bilia Group owns some real estates but leases most of the facilities for the operations. Moreover, Bilia Group's IT-systems and the functionality of external and internal communication is significant for the group to carry out its services.

Vision

Bilia Group's vision is to be the best service company in the business – through consideration for our customers and colleagues. Bilia Group strives to be the best service company in the business, with full-service workshops, showrooms offering high availability and a customer service that is available every day, round the clock. Through consideration and professional pride, Bilia Group establishes a relationship with the customer that is crucial to the customer's choice. Bilia Group's customer relations distinguish Bilia from other players in the business.

Material changes, investments and information on trends

During the first quarter 2020, Bilia Group's management was expanded by four people to include Elin Delvert, HR Director, Anders Rydheimer, Director of Marketing, Communication and Digital, Magnus Karlsson, CIO for Bilia Group and Managing Director of Motorit AB, and Mathias Nilsson, Managing Director of Bilia Personbilar AB.

During the first quarter 2020, Bilia refinanced its current loan and credit facilities of SEK 1,500,000,000, with ordinary maturity during the third quarter 2020. The new credit facilities amount to SEK 1,500,000,000, of which SEK 900,000,000 in revolving loans and SEK 600,000,000 in overdraft facilities under essentially unaltered conditions. The revolving loans have a duration of three years with the potential for a one plus one-year extension, subject to the creditors' approval. DNB Bank ASA, filial Sverige and Nordea Bank Abp, filial i Sverige are the lenders.

Prior to the Company's 2020 Annual General Meeting on 22 June, the Board of Directors of Bilia Group (Bilia AB) decided to withdraw its previous proposal for an ordinary dividend of SEK 5.25 per share, to be paid on two occasions. The reason for the withdrawal of the dividend proposal was restrictions from government regarding support related to COVID-19.

On 1 October 2020, Bilia repurchased SEK 370,000,000 of the SEK 500,000,000 of Bilia's unsecured bonds with ISIN: SE0008186886 and maturity in March 2021 at a price of 100.9 per cent of the nominal amount.

The spread of COVID-19 has impacted Bilia Group's business. During March to May 2020 restrictions from local authorities meant that the Bilia Group had to fully or partly close down its operations in some markets, primarily Western Europe, which negatively impacted the result. The operational result in Western Europe during the second quarter 2020 was SEK 27 000 000 lower compared to the previous year, despite government support amounting SEK 13 000 000. During the third quarter 2020 all facilities have been opened and business has been made on a more normalized manner, however with security actions taken. Since the end of the third quarter 2020, the spread of the COVID-19 virus has again increased and new restrictions are now being launched. The high degree of uncertainty about the future COVID-19 spread and related restrictions renders it impossible to estimate the impact on Bilia Group's financial results for the year 2020 as a whole.

As for investments, on 20 August 2020 Bilia Group concluded an agreement to acquire Jönköpings Bildemontering AB, Ecris AB and the real estate company which owns the property in which the operations of the two companies are conducted. Jönköpings Bildemontering AB's operations consist of car dismantling and sales of used car parts. Ecris AB's operations consist of sales of renovated and new car parts. Ecris AB is also conducting renovations and storage of electric batteries. The businesses acquired, including the real estate company, have in recent years reported an average turnover of about SEK 140,000,000 and an average operating margin of about 15%. The number of employees is about 80. Current owners, Magnus and Stefan Wikström, will continue to work in the company and run the business after the change of ownership. Bilia Group's capital employed and net debt are expected to increase, related to the acquisition, with about SEK 200,000,000, of which the real estate company is estimated to about SEK 90,000,000. The date of possession is planned for 1 November 2020. Moreover, on 1 September 2020, Bilia Group announced that its subsidiary Netbil Begagnat AB had opened a new facility in Skövde for sales of used cars. During the month of November 2020, another new facility in Västerås will be opened for sales of used cars. These two facilities are the latest additions to Bilia Group's strategic investment in sales of used cars, which includes totally seven facilities.

There has been no:

- significant change, other than as described above and in relation to the issuance of the Bonds on 1 October 2020, in the financial or market position of Bilia Group since the latest published annual report;
- material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement;
- recent events particular to the Company, other than the issuance of the Bonds on 1 October 2020, which is to a material extent relevant to the evaluation of the Company's solvency since the publication of Bilia Group's latest financial report; and
- significant change in the financial performance of Bilia Group, since the end of the last financial period for which financial information has been published to the date of this Prospectus.

Organisational structure

Bilia is as of the date of this Prospectus the parent company of 29 directly or indirectly owned subsidiaries. Since Bilia's operations are mainly carried out through its subsidiaries in Sweden, Norway, Germany, Luxembourg and Belgium, Bilia is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions, with of all the revenues being generated within the subsidiaries.

Corporate governance

There is one major shareholder in Bilia within the meaning of the Swedish Code of Corporate Governance (Sw. *Svensk kod för bolagsstyrning*) (the "Code"), subject to which a "major shareholder" is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company (for information on major shareholders, please refer to the section "The Share" below). However, to the Company's knowledge, as at the date of this Prospectus, there is no entity and/or person that, directly or indirectly, owns or controls more than 50 per cent of the shares, ownership interest or votes in Bilia.

Bilia's shareholders, including any major shareholder, exercise their influence through active participation in the decisions made at the shareholder meeting. In order to ensure that control over Bilia is not abused, Bilia complies with the provisions of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and acts in line with, *inter alia*, the Code, the rules of procedure for the Board of Directors and the instructions for the CEO adopted by Bilia. Furthermore, Bilia has appointed special committee for property issues, compensation issue and audit issues.

Credit ratings

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

Dispute and litigation

Bilia Group is, from time to time, involved in legal disputes, and subject to investigations and injunctions from authorities. For example, an insurance company has made a claim for recourse from Bilia Group, due to damages caused by a vehicle delivered by a subsidiary of the group. However, neither the Company nor Bilia Group are, or have over the past twelve months been, party to any legal governmental or arbitration proceedings that have had, or would have, a significant effect on Bilia Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatening, and which could lead to the Company or any member of Bilia Group becoming a party to such proceedings.

Interest of advisors

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

Advokatfirman Vinge KB has acted as legal advisor to the Company in connection with the issue and listing of the Bonds and has no conflicting interest with the Company or Bilia Group.

The share

The total number of shares in the company as of the date of this Prospectus is 102,799,952. All issued shares are of Series A. It is also possible to issue B shares according to the Articles of Association, but this has not been done. All issued shares have equal rights in the company and are entitled to one vote at the Annual General Meeting. Bilia's shares are listed on Nasdaq Stockholm and can be transferred freely there, subject to the rules of the exchange.

Ownership structure

On 30 September 2020, Bilia had 41,096 shareholders. On 30 September 2020, the share capital amounted to SEK 257,000,000, divided among 102,799,952 Series A and Series B shares.¹The quotient value is SEK 2.50 per share. Each Series A Share represents one (1) vote and each Series B Share one-tenth (1/10) of a vote. Bilia's largest shareholder is Mats Qviberg with family, the next-largest shareholder in Bilia is Investment AB Öresund followed by State Street Bank And Trust Co, W9. Bilia's A shares are traded on Nasdaq Stockholm. Below is a list of the ten largest shareholders in Bilia as of 30 September 2020.

Shareholders as of 30 September 2020	Holdings, Class A shares	Capital/Votes, (%)
Mats Qviberg with family ²	12,909,495	12.56
Investment AB Öresund	9,760,000	9.49
STATE STREET BANK AND TRUST CO, W9	6,444,213	6.27
Anna Engebretsen with family	5,170,360	5.03
BNY MELLON NA (FORMER MELLON), W9	3,562,791	3.47
JP MORGAN BANK LUXEMBOURG S.A	3,478,832	3.38
CBNY-Norges Bank	3,225,332	3.14
Handelsbanken Fonder	3,208,024	3.12
Bilia AB (publ) (repurchased own shares)	2,666,210	2.59
JP Morgan Chase NA ³	2,237,285	2.18
Total	52,662,542	51,23
Others	50,137,410	48,77
Total	102,799,952	100

Board of directors, executive management and auditor

Board of directors

Bilia's Board of Directors consists of nine board members including the chairman and deputy chairman, elected by the Annual General Meeting, together with two additional members who represent the employees and two deputy employee representatives. The Annual General Meeting

¹ Including Bilia's repurchased own shares (2,666,210 shares).

² As of 30 September 2020, Mats Qviberg owned 12,909,495 shares in Bilia, directly or indirectly through companies or related parties, of which he personally held 5,656,566 shares.

³ JPM Chase NA has 9 funds with the same name and address.

elected members are elected for one year. There is no limit to how long a member can sit on the board. All members of the Board of Directors can be contacted through Bilia's registered address, Box 9003, 400 91 Gothenburg, Sweden.

The following information, regarding the Board of Directors and executive management, reflects the conditions on 30 September 2020.

MATS QVIBERG	
<i>Chairman. Member of the Board of Directors since 2003. Born 1953.</i>	
Other assignments:	Chairman of Investment AB Öresund. Deputy Chairman of Fabege AB.
JAN PETTERSSON	
<i>Deputy Chairman. Member of the Board of Directors since 2003. Born 1949.</i>	
Other assignments:	Chairman of Active Driving AB and Trosta Park AB.
INGRID JONASSON BLANK	
<i>Member of the Board of Directors since 2006. Born 1962.</i>	
Other assignments:	Member of the board of Musti Group Oy, Orkla AS, Nordic Morning Group Oy, Kjell & Co AB, Bygghemma AB, Haypp Group AB, Forenom Oy, Nordic Morning Oy, ZetaDisplay AB, Astrid Lindgren AB and Bergendahls Food AB.
ANNA ENGBRETSSEN	
<i>Member of the Board of Directors since 2010. Born 1982.</i>	
Other assignments:	Member of the boards of Investment AB Öresund, MaxFastigheter i Sverige AB and MQ MarQet AB.
NICKLAS PAULSON	
<i>Chairman of the Compensation Committee. Member of the Board of Directors since 2018. Born 1970.</i>	

Other assignments:	CEO of Investment AB Öresund and member of the board of Ovzon AB (publ).
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MATS HOLGERSSON	
<i>Member of the Audit Committee. Member of the Board of Directors since 2006. Born 1953.</i>	
Other assignments:	Member of the boards of Trophi Fastighets AB and Nordward Seafood Holding AB.

EVA ERIKSSON	
<i>Chairman of the Property Committee and member of the Compensation Committee. Member of the Board of Directors since 2019. Born 1959.</i>	
Other assignments:	Member of the boards of OBOS, Norge and MaxFastigheter i Sverige AB.

JON RISFELT	
<i>Chairman of the Audit Committee. Member of the Board of Directors since 2003. Born 1961.</i>	
Other assignments:	Chairman of CAB Group AB and Knowit AB (publ). Member of the boards of Projektengagemang Sweden AB (publ), ELOS Medtech AB (publ) and Boule Diagnostics AB (publ).

GUNNAR BLOMKVIST	
<i>Member of the Compensaion, Audit and Property Committees. Employed by Bilia AB from 1984 to 2017, most recently as CFO. Member of the Board of Directors since 2017. Born 1955.</i>	
Other assignments:	No other assignments.

PATRIK NORDVALL	
<i>Employee representative since 2004. Born 1967.</i>	

Other assignments:	Shop steward for Unionen at Bilia and Property management developer.
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DRAGAN MITRASINOVIC

President of Bilia's local branch and car mechanic. Employee representative since 2005. Born 1958.

Other assignments:	Shop steward of Bilia's local branch in Stockholm, car mechanic, and member of the board of IF Metall Stockholm.
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ISAK EKBLOM

Deputy. Employee representative since 2016. Born 1988.

Other assignments:	Shop Steward for IF Metall workshop branch Gothenburg, member of the board of IF Metall Göteborg and ABF sydvästra Götaland.
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ANDERS BEJMAR

Deputy. Employee representative since 2016. Born 1960.

Other assignments:	Shop steward for Ledarna at Bilia Personbilar AB, as well as Ledarna lokala klubben Stockholm and member of the boards of Teknik- & Motor Öst, the main board of Teknik & Motor and of Bilia Personbilar AB.
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Executive management

As of the day of this Prospectus, the Group Management consists of Per Avander (Managing Director and CEO) Stefan Nordström (Deputy Managing Director) Kristina Franzén (CFO) Frode Hebnes (Managing Director of Bilia Personbil AS, Norway), Elin Delvert (HR Director), Anders Rydheimer (Director of Marketing, Communication and Digital), Magnus Karlsson (CIO for Bilia Group and Managing Director of Motorit AB), and Mathias Nilsson (Managing Director of Bilia Personbilar AB).

All members of executive management can be contacted through Bilia's registered address, at Box 9003, 400 91 Gothenburg, Sweden.

PER AVANDER

Managing Director and CEO of Bilia. Born 1961.

Other assignments:

Chairman of Volvohandlarnas Service AB, Volvohandlarföreningen ek. för., Volvohandlarnas Fordonsförening ek. för., VHF Start-up LV AB, VHF Start-up PV AB, Aktiebolaget Volverkinvest, and member of the boards of Volvofinans Bank AB and Bostadsrättsföreningen Rådman Karl.

STEFAN NORDSTRÖM

Deputy Managing Director of Bilia. Born 1966.

Other assignments:

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KRISTINA FRANZÉN

CFO of Bilia. Born 1966.

Other assignments:

-

FRODE HEBNES

Managing Director of Bilia Personbil AS, Norway. Born 1972.

Other assignments:

Member of the boards of Expon AS, Expon Holding AS and My Private Label AS.

ELIN DELVERT

HR Director. Born 1971.

Other assignments:

Member of the boards of Motorbranschens Arbetsgivareförbunds Service AB and HiRe International AB.

ANDERS RYDHEIMER

Director of Marketing, Communication and Digital. Born 1976.

Other assignments:	Member of the boards of Dahlqvist Bil AB and VH System AB.
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MAGNUS KARLSSON	
<i>CIO for Bilia Group and Managing Director of Motorit AB. Born 1968.</i>	
Other assignments:	-

MATHIAS NILSSON	
<i>Managing Director of Bilia Personbilar AB. Born 1971.</i>	
Other assignments:	-

Other information about the Board of Directors and the executive management

Three of the Company's board members are to be regarded as dependent in relation to the Company's major owners in accordance with the Code. This means that there is a theoretical dependency, but no de facto dependency is considered to exist. Other than that, there are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and executive management of Bilia and their private interests and/or other undertakings (however, several members of the Board of Directors and executive management have financial interests in Bilia as a result of their shareholding in Bilia).⁴

Auditor

The auditors of Bilia are elected by the Annual General Meeting. KPMG AB has been Bilia's public accounting firm since 2010 and was re-elected in 2020 for the period up to the 2021 Annual General Meeting. Johan Kratz, born 1963, Authorised Public Accountant, KPMG AB and member of FAR has been the auditor in charge at Bilia since 2017.

Auditors will once again be elected at the Annual General Meeting 2021. No circumstance relating to this advisory role has been judged to influence the impartiality and independence of the auditors. KPMG AB's registered address is Box 382, 101 27 Stockholm, Sweden.

Shareholder agreements

Bilia 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 in control of the Company.

⁴ As defined in the Swedish Code of Corporate Governance.

Material agreements

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

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 2,000,000. The ISIN for the Bonds is SE0014829784.

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

Representation of the Bondholders

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

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

Expected date of listing, market place and costs relating to the listing

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 30 October 2020, for which listing this Prospectus has been prepared.

Bilia expects the aggregate cost in connection with the admission to trading to amount to approximately SEK [150,000].

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at Bilia's head office at Norra Långebergsgatan 3, 421 32, Västra Frölunda, Västra Götalands län, Sweden, during ordinary weekday office hours and, in electronic form, on the Company's website www.bilia.com:

- Bilia Group's audited consolidated financial statements, including the auditor's report, for the financial years 2018 and 2019;
- Bilia Group's interim report for the period 1 July – 30 September 2020;
- this Prospectus and the Terms and Conditions;

- Bilia’s articles of association as of the date of this Prospectus;
- Bilia’s certificate of registration of Bilia; and
- all documents that have been incorporated by reference in this Prospectus.

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

Documents incorporated by reference

The documents in the below table have been incorporated in this Prospectus by reference. The documents have been made public prior to the publication of this Prospectus and are available in electronic format on the Company’s website, www.bilia.com, during the period of validity of this Prospectus.

SOURCE	INFORMATION
<p>The audited consolidated financial statements of Bilia Group, including the auditor’s report, for the financial year 2018 can be found on the following link: Bilia Group's annual report 2018</p>	<p>The comprehensive income can be found on pages 45-46, the consolidated statement of financial position can be found on pages 47-48, the consolidated statement of changes in equity can be found on page 49, the consolidated statement of cash flows can be found on page 50, the notes to the consolidated financial statements and information on accounting principles can be found on pages 52-88 and the auditor’s report can be found on pages 105-109.</p>
<p>The audited consolidated financial statements of Bilia Group, including the auditor’s report, for the financial year 2019 can be found on the following link: Bilia Group's annual report 2019</p>	<p>The consolidated statement of income and other comprehensive income can be found on pages 46-47, the consolidated statement of financial position can be found on pages 48-49, the consolidated statement of changes in equity can be found on page 50, the consolidated statement of cash flows can be found on page 51, the notes to the consolidated financial statements and information on accounting principles can be found on pages 53-92, and the auditor’s report can be found on pages 109-111.</p>
<p>The unaudited consolidated interim financial statements of Bilia Group, for the period between 1 July 2020-30 September 2020 can be found on the following link: Bilia Group's Q3 report 2020</p>	<p>The consolidated statement of income and other comprehensive income can be found on page 18, the consolidated statement of financial position can be found on pages 19, the consolidated statement of changes in equity can be found on page 20, the consolidated statement of cash flows can be found on page 21, and the notes to the consolidated financial statements and information on accounting principles can be found on pages 22-27, and the auditor’s review report can be found on page 33.</p>

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

The audited consolidated financial statements of Bilia Group, including the auditor's report, for the financial years 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been audited by the Company's auditor.

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

Age of the most recent financial information

The most recent audited financial information incorporated into this Prospectus by reference derives from Bilia Group's annual report for 2019. The consolidated interim report for the period 1 July – 30 September 2020, which was published on 28 October 2020 on the Company's website, has been subject to the auditor's review but not audited.



**TERMS AND CONDITIONS FOR
BILIA AB (publ)
UP TO SEK 1,500,000,000
SENIOR UNSECURED FLOATING RATE BONDS**

ISIN: SE0014829784

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

PRIVACY NOTICE

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

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

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

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

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

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

The Issuer's, the Issuing Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.bilia.com, www.dnb.se and www.nordictrustee.com.

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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.

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

“**Affiliates**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bank Loans**” means any existing loans incurred by the Issuer or any Group Company in relation to Nordea Bank Abp, filial i Sverige, DNB Bank ASA, filial Sverige or Danske Bank A/S, filial Sverige, or any future loan incurred by the Issuer or any Group Company in relation to any reputable bank.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders’ Meeting*).

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

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

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

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

“**Cash**” means, at any time, cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement or any amount standing on client accounts, but including any unused credit facility).

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

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

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

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

“**Debt Instruments**” means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market.

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

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

“Event of Default” means an event or circumstance specified in Clause 12.1.

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

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

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

“Financial Indebtedness” means:

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

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

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

“**First Issue Date**” means 1 October 2020. The Issuing Agent shall confirm the First Issue Date to the CSD and the Agent in writing and the Issuer shall publish the First Issue Date in accordance with Clause 23.2.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

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

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

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

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Payment Date**” means 1 January, 1 April, 1 July and 1 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 1 January 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means STIBOR (3 months) plus 1.7 per cent. *per annum*.

“**Issuer**” means Bilia AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556112-5690.

“**Issuing Agent**” means DNB Bank ASA, Sweden Branch with Reg. No 516406-0161 or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Listing Failure Event” means the situation where (i) the Bond Loan represented by the Initial Bonds or any Subsequent Bonds (as applicable) has not been listed on the corporate bond list of Nasdaq Stockholm (or any other relevant Regulated Market) within hundred twenty (120) calendar days after the First Issue Date, or in respect of Subsequent Bonds, after the relevant subsequent issue date, or (ii) the Issuer has failed to ensure that the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue being listed thereon in accordance with Clause 11.6.2.

“Material Group Company” means the Issuer or a Subsidiary representing more than 5.00 per cent. of the total net sales, EBITDA or gross assets of the Group on a consolidated basis according to the latest Financial Report.

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

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

“Permitted Security” means any guarantee or Security: (a) existing on the First Issue Date; (b) arising by operation of law (including collateral or retention of title arrangements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised); (c) provided in relation to any lease agreement (*hyresavtal*) entered into by a Group Company in the ordinary course of business; (d) provided in relation to any Bank Loan facilitating purchase of any real estate (whether directly or indirectly through a company owning the real estate); (e) comprising counter-indemnity obligations under any bank guarantees or letters of credit issued by a bank or financial institution and drawings under any such bank guarantees or letters of credit, which in each case is provided in the ordinary course of business in relation to customers, other business partners, governmental bodies or authorities on terms and conditions customary for counter-indemnity obligations; (f) comprising bank guarantees in relation to undertakings incurred in any Group Company’s ordinary course of business; or (g) comprising parent company guarantees in relation to Subsidiary undertakings incurred in the ordinary course of business.

“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 13 (*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*).

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

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

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

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

“STIBOR” means:

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

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

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

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

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16 (*Written Procedure*).

1.2 **Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law or regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

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

- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

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

2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Bond is SEK 2,000,000 (the “**Nominal Amount**”). The maximum total nominal amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount or at a discount or premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,500,000,000. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.5 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- 2.6 The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

3.1 Use of proceeds

The Issuer shall use the Net Proceeds from the issuance of the Initial Bonds (i) for the market repurchase of all or some of the outstanding SEK 1,000 million senior unsecured 2016/2021 bonds with ISIN SE0008186886 and (ii) for general corporate purposes of the Group (including acquisitions). The Net Proceeds from the issuance of any Subsequent Bonds Issue shall be used to finance general corporate purposes (including acquisitions).

4. CONDITIONS

4.1 Conditions for disbursement

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

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

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

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

4.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.

4.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause **Error! Reference source not found.**, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause **Error! Reference source not found.**, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

5. BONDS IN BOOK-ENTRY FORM

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

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

5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The

Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 6.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.

- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.1 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

7. PAYMENTS IN RESPECT OF THE BONDS

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 7.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. 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.

- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- 8.1 Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest as the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 bps (2 per centage points) higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. REDEMPTION AND REPURCHASE OF THE BONDS

9.1 Redemption at maturity

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

9.2 Issuer's purchase and holding of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (except in connection with a redemption in full or repurchase of all Bonds not already held by the Issuer).

9.3 **Early redemption due to illegality (call option)**

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.3.2 The Issuer shall give notice of any redemption pursuant to Clause 9.3.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem or repurchase (in which case each relevant Bondholder is bound to sell), as the case may be, the Bonds in full at the applicable amount on the specified Redemption Date.

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

9.4.1 Upon the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, a De-listing Event or Listing Failure Event, as the case may be, pursuant to Clause 10.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, the De-listing Event or the Listing Failure Event, as the case may be.

9.4.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Bondholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4.1.

9.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.

9.4.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.4, if a third party in connection with the occurrence of a Change of Control Event offers to

purchase the Bonds in the manner and on the terms set out in this Clause 9.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

10. INFORMATION TO BONDHOLDERS

10.1 Information from the Issuer

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

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period;
- (c) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies; and
- (d) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

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

10.1.3 When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a Compliance Certificate attaching copies of any notices sent to the Regulated Market on which the Bonds are admitted to trading. The Compliance Certificate shall be in a form agreed between the Issuer and the Agent.

10.2 Information from the Agent

Subject to the restrictions of a non-disclosure agreement entered into by the Agent, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure

or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 12.4 and 12.5).

10.3 **Information among the Bondholders**

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

10.4 **Publication of Finance Documents**

10.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

10.4.2 The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

11. GENERAL UNDERTAKINGS

11.1 **Nature of business**

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

11.2 **Disposals of assets**

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

11.3 **Compliance with laws etcetera**

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

11.4 **Negative pledge**

The Issuer shall not (and shall procure that no other Group Company will) create or allow subsisting, retaining, providing, prolonging or renewing any Security over any of its /their present or future assets, except for Permitted Security.

11.5 **Dealings with related parties**

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

11.6 **Admission to trading**

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

11.6.2 Following an admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Bonds are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

11.7 **CSD related undertakings**

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

11.8 **Undertakings relating to the Agency Agreement**

11.8.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

12. ACCELERATION OF THE BONDS

- 12.1 The Agent is entitled to and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 12.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:
- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
 - (b) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
 - (c) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), (ii) any commitment for any Financial Indebtedness of a Group Company is cancelled or suspended by a creditor as a result of an event of default (however described) or (iii) any creditor of a Group Company becomes entitled to declare any Financial Indebtedness of a Group Company 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 paragraph (c) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 50,000,000;
 - (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity,

ineffectiveness or variation has a detrimental effect on the interests of the Bondholders;

- (e) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (f) any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised) in relation to any Material Group Company (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise); (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect or any of its assets; or (iii) any analogous procedure or step is taken in any jurisdiction.

- 12.2 The Agent may not accelerate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 12.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 12.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 12.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 12.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- 12.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the

Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

- 12.7 If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.8 In the event of an acceleration of the Bonds in accordance with this Clause 12, the Issuer shall redeem all Bonds at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

13.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.4, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 14.16;
- (b) *secondly*, in or towards payment *pro rata* of any cost and expenses incurred by a committee arranged by the Bondholders that have not been reimbursed by the Issuer;
- (c) *thirdly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (d) *fourthly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (e) *fifthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (e) above shall be paid to the Issuer.

- 13.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a).
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*redovisningsmedel*) and must be held on a separate account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

14. DECISIONS BY BONDHOLDERS

- 14.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 14.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way 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.
- 14.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 14.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene

such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

14.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 15.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.1, in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 18.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15.1. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with a notice or the communication. The Issuing Agent shall provide the Issuer with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

14.7 Only a Bondholder who is, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded.

14.8 The following matters shall require the consent of Bondholders representing at least sixty-six (66) 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 16.3:

- (a) a change to the terms of any of Clause 2.1, 2.4 and Clauses 2.5 to 2.7;
- (b) a change to the Interest Rate or the Nominal Amount;

- (c) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of proceeds*);
- (d) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14;
- (e) 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;
- (f) a mandatory exchange of the Bonds and for other securities; and
- (g) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- 14.9 Any matter not covered by Clause 14.8 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a), (b) or (c)), or an acceleration of the Bonds.
- 14.10 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.8, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent (or appear through duly authorised representatives); or
 - b) if in respect of a Written Procedure, reply to the request.
- 14.11 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 14.10 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 14.12 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

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

15. BONDHOLDERS' MEETING

- 15.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 15.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15.1.

- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 15.4 The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 15.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

16. WRITTEN PROCEDURE

- 16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Record Date prior to the date on which the communication is sent.
- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Bondholder with a copy to the Agent.
- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 16.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 0 and **Error! Reference source not found.** have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clauses 0 and **Error! Reference source not found.**, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

17.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document or any other document relating to the Bonds, provided that:

- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders as a group;
- (b) the Agent is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) such amendment or waiver is required by any applicable law, a court ruling or a decision by a relevant authority; or
- (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*) and the Agent has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.

17.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

17.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

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

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

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

- 18.1.2 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 **Duties of the Agent**

- 18.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 18.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 18.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 18.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 18.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 18.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the

Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of Proceeds*).

- 18.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 18.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 18.2.9 The Agent shall review each Compliance Certificate delivered to it to determine that it meets the requirements as agreed between the Issuer and the Agent.
- 18.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 18.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 18.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 18.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.13 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of

any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.12.

18.3 Limited liability for the Agent

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

18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

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

18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

18.4 Replacement of the Agent

18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

18.4.2 Subject to Clause 18.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

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

Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

- 18.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 18.4.4 (ii) having lapsed.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

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

- 19.3 The Issuing Agent shall enter into agreements with the CSD and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Terms and Conditions / Finance Documents.

20. APPOINTMENT AND REPLACEMENT OF THE CSD

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.

- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Regulation (EU) No 909/2014 and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

21. NO DIRECT ACTIONS BY BONDHOLDERS

- 21.1 A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.12 before a Bondholder may take any action referred to in Clause 21.1.

- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due by the Issuer to some but not all Bondholders.

22. PRESCRIPTION

- 22.1 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.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bond, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address specified on its website www.nordictrustee.com on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1, or, in case of email, when received in readable form by the email recipient.

- 23.1.3 Any notice pursuant to the Finance Documents shall be in English.
- 23.1.4 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- 23.2 **Press releases**
- 23.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Early redemption due to illegality (put option)*), 9.4 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (put option)*), Clauses 12.4, 14.18, 15.1, 16.1 and 17.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds or the Issuer 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.

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “Force Majeure Event”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.
- 24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

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

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