



COMPANY DESCRIPTION

**BOOSTER PRECISION COMPONENTS GMBH
UP TO EUR 60,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS DUE 2026
ISIN: NO0012713520**

The date of this Company Description is 23 November 2023

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

IMPORTANT INFORMATION

This company description (the “**Company Description**”) has been prepared by Booster Precision Components GmbH (the “**Issuer**”), registration number HRB 108196, in relation to the application for listing on NASDAQ First North Bond Market of bonds issued under the Issuer’s maximum EUR 60,000,000 senior secured callable floating rate bonds 2022/2026 with ISIN: NO0012713520 (the “**Bonds**”), which were issued on 28 November 2022 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”). In this Company Description, references to the “**Group**” mean the Issuer and its subsidiaries, from time to time (each a “**Group Company**” and together the “**Group**”). References to “**EUR**” refer to Euro.

This Company Description does not constitute a prospectus or an offer to buy or sell the Bonds and has not been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council. This Company Description has not been registered with the Swedish Financial Supervisory Authority.

Unless otherwise stated or required by context, terms defined in the Terms and Conditions of the Bonds beginning on page 34 shall have the same meaning when used in this Company Description. Certain figures included in this Company Description have been subject to rounding adjustments. Accordingly, figures shown for the same item of information may vary to reflect such rounding, and figures shown as totals may not be the arithmetical aggregate of their components.

This Company Description does not constitute an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq First North Bond Market. This Company Description may not be distributed in any country where such distribution requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Company Description comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws. Furthermore, the Issuer has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. The Bonds are freely transferable and may be pledged, subject to the following: each person registered as owner or nominee holder of a Bond who is located in the United States will not be permitted to transfer the Bonds except pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available). The holders of the Bonds (the “**Bondholders**”) may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, or its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense.

This Company Description may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Issuer’s management or are assumptions based on information available to the Issuer. 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 Company Description involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Issuer and its subsidiaries to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Issuer believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk Factors*” below.

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

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

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RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer and the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including payment of interest and repayment of principal) under the Terms and Conditions. In this section, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and risks relating to the Bonds as financial instruments. The risks presented herein are not exhaustive, and other risks not discussed herein, not currently known or not currently considered to be material, may also affect the Group's future operations, performance and financial position, and consequently the Group's ability to meet its obligations under the Terms and Conditions.

Potential bondholders should consider carefully the information contained in this section and make an independent evaluation before making an investment in the Bonds.

The risk factors below are not ranked in any specific order.

RISKS RELATING TO THE GROUP

Risks related to the Group's industry and market conditions

The Group is affected by macro-economic and geopolitical conditions

The Group's business is based on metal precision parts manufacturing and delivery of products primarily to large automotive industry suppliers. Accordingly the Group's business is to a large extent dependent on continued levels of demand in the automotive industry which generally is impacted by the prevailing global economic climate, as well as local economic and political conditions in Europe, the United States of America and Asia, as well as the other markets in which the Group operates, including, inter alia, inflation, levels of employment, real disposable income, salaries, wage rates (including any increase as a result of payroll cost inflation or governmental action to increase minimum wages or contributions to pension provisions), semiconductor shortages, supply-chain disruptions, rising raw material and energy prices and interest rates. Many of these factors are outside the Group's control and if any or a combination of these factors were to significantly deteriorate, demand for the Group's products could be reduced, and accordingly the Group's business, results of operations, financial condition and cash flows could be materially adversely affected.

Russia's invasion of Ukraine in February 2022, and the subsequent international sanctions imposed on Russia have had a significant geopolitical impact and consequences on the global economy. Consequently, disruption of global access to Ukrainian and Russian minerals and natural resources utilised in global manufacturing as well as the need to modify transportation routes by avoiding Russian, Belarusian and Ukrainian territory, places additional strain on logistical and supply chain operations.

Furthermore, the Russian invasion has led to the current global trend towards increasing energy costs and inflation which has caused price increases for the Group's cost of supplies and production as well as leading to rising employee costs, both of which have adversely affected the Group's results of operations and cash flows. Any continued or worsening increases in the inflation rate, including rises in energy prices, could potentially be materially adverse to the Group's financial

position.

In the event of financial turmoil affecting the banking system and financial markets, or in the event of additional consolidation of the financial services industry or significant failure of financial services institutions, there could be a tightening of the credit markets, decreased liquidity and extreme volatility in fixed income, credit, currency and equity markets. In addition, a recession in Western or global markets could have a significant impact on the Group's business, including potential restructurings, bankruptcies, liquidations and other unfavourable events for the Group's customers, suppliers, logistics providers, other service providers and the financial institutions that are counterparties to the Group's credit facilities and other derivative transactions. If third parties on which the Group relies for equipment, raw materials and services are unable to overcome financial difficulties resulting from a deterioration of global economic conditions or if the counterparties to the Group's credit facilities do not perform their obligations as intended, the Group's business, results of operations, financial condition and cash flows could be materially adversely affected.

The Group is dependent on its ability to adapt to altered demand on the market and develop its product range and its services

The Group's long-term success depends, among other things, on its ability to adapt to its customers' needs, changed industry requirements and consumer behaviour, and the introduction of new attractive products and services, while at the same time retaining competitive pricing. In order to maintain its competitiveness, the Group must foresee its existing customers' needs and possibly branch out to new business areas and segments where the Group's expertise in metal precision parts manufacture and assembly may translate into attractive product and service offerings.

In addition, the automotive industry is facing major changes due to increased demand for fossil-free cars and subsequent changes in consumer behaviour. The Group's core products, compressor wheels and variable turbine geometry, accounted for approximately 95 per cent. of the Group's aggregate output in 2022 and are both important parts in turbochargers for traditional combustion engine vehicles. The trend in recent years towards increasing electrification of both passenger and commercial vehicle fleets and targets set by global carmakers, such as Volkswagen's 2030 target of more than 50 per cent. of sales coming from electric vehicles, coupled with several governmental initiatives and potential bans on internal combustion engines which have been or may be enacted in order to stimulate the transition from fossil to fossil-free engines may drastically decrease the number of turbocharger equipped vehicles in the geographic markets in which the Group operates. The transition to new engine alternatives and new customer behaviour entail that the Group needs to gradually adapt its product and service offerings to meet altering customer needs and can also materially adversely affect demand for the Group's current core products.

A failure to provide commercially successful services and products that continuously meet customer and business partner needs, particularly in relation to the increasing electrification of the vehicle fleet, may have a material adverse impact on the Group's earnings, because of reduced demand for its services and products and consequently reduced sales.

The development of the Group's existing and planned product portfolio is capital-intensive

The development of the Group's existing and planned product portfolio is capital-intensive, and unforeseen deviations from the Group's budget may result in product delays and negatively impact the Group's profitability. The likely diversification of the Group's product portfolio into areas outside the automotive industry may increase the risk of new production lines being built at great cost with less certainty as to the profitability or success of the new products. Investments in less successful or redundant production lines, or delays in production due to miscalculation in budgets would be likely to have a material adverse effect on the Group's financial position.

Risks related to airborne diseases

The European economy, in which the Group primarily operates, as well as those outside Europe, may be negatively affected by an outbreak of any contagious disease with human-to-human airborne or contact propagation effects, such as COVID-19, that escalates into a regional epidemic or global pandemic. The occurrence of an epidemic or pandemic is beyond the Group's control and the Group can provide no assurance on the future spread of COVID-19 or other contagious diseases in areas in which the Group operates, or what the impact on the Group's business will be. The effect of the COVID-19 pandemic on the Group's operations was relatively limited, with factory closures in Mexico and China being relatively shortlived, resulting in an overall loss of revenue for the year 2020 of approximately 10 per cent. with revenue levels recovering in 2021. However, if current levels of economic revival in the markets where the Group operates stall or worsen as a result of renewed outbreaks of existing or new mutations of COVID-19 or other diseases, the Group may experience a significant adverse impact on its ability to continue its production at current levels leading to reduced revenues, potential penalties or lost customer contracts for delays caused by COVID-19 associated lock downs or other restrictions. Combined with continued staff, leasing and other expenses this may have a significant effect on the liquidity and overall financial position of the Group and therefore its ability to service its payment obligations under the Bonds.

Volatility in the supply and prices of, or the inability to procure, raw materials and intermediate components

The Group's products require substantial amounts of certain raw materials and intermediate components. Raw materials and intermediate components are priced in the world market and the prices generally vary in accordance with the availability of such raw materials and intermediate components. In both cases, the price volatility is primarily due to fluctuating customer demand, supply, levels of stock and speculation, which may, from time to time, be compounded by decreases in extraction and production due to natural disasters, political or financial instability or unrest.

Whereas approximately two-thirds of the Group's customer agreements provide for the customers to appoint raw material suppliers and allow for cost increase pass-throughs, the remaining third of commodity sourcing is chosen by the Group and to the extent that the Group is unable to effectively pass through price increases to customers despite the Group maintaining contractual arrangements to mitigate such negative effects, this entails supply and pricing risk for the Group in respect of raw materials and intermediate components. Even the Group's contracts which allow the Group to pass cost increases on to customers include a three month delay on price adjustments, resulting in a temporary exposure to such price increases. The Group's profitability is thus in part dependent on raw material and intermediate component prices and the extent to which changes in those prices correlate to changes in the price of their own products.

The Group may be unable to procure certain necessary raw materials and intermediate components on a timely basis, at acceptable prices and other terms, in sufficient amounts or at all. Although there may be alternative suppliers in the market for each of the Group's raw materials and approximately 70 per cent. of the Group's supplier base is multi-sourced, replacing a key supplier may take time leading to temporary or even long term stoppages in production and delays in meeting contractual deadlines. Furthermore, the contractual terms available with a new supplier may not be as favourable as the terms in current supply agreements. There may also be issues with the quality of the raw materials and intermediate goods the Group purchases. If the Group is unable to obtain adequate and punctual deliveries of required raw materials and intermediate goods at acceptable prices or at all, it may be unable to manufacture and deliver their products in accordance with contractual deadlines, which could harm the Group's profitability or reputation and cause them to lose customers or incur additional costs.

In addition, due to the nature of its business as well as its geographical footprint, the Group is directly and indirectly exposed to the global supply chain. Any disruption in the global supply

chain may therefore have a material adverse impact on the Group's ability to source the raw materials and intermediate components needed, both in terms of price and availability. For example, during the COVID-19 pandemic and war in Ukraine, supply chains have come under considerable pressure, especially with regard to raw materials. As a result, transportation prices have risen considerably, and although they have generally stabilised since then, similar increases for any reason in prices of raw material may impact the Group's profitability as well as its ability to serve its customers within the agreed timeline notwithstanding the relatively large proportion of directed suppliers which allow for cost increase pass-throughs.

The war in Ukraine has also had a significant impact on the price of energy required in the Group's production processes, in particular electricity but also to a lesser extent natural gas. The current still high level of energy prices is expected to increase the Group's costs by approximately EUR 1 million per annum, and any further increases in energy prices would be likely to significantly impact the Group's profitability. Any electricity outages in Germany resulting from shortages caused by the Russian suspension of gas supplies to the European continent could lead to temporary stoppages at the Group's production facilities there, again resulting in production delays and missing contractual deadlines.

Any prolonged interruption in the supply of energy, raw materials or intermediate components, or increases in the costs thereof that cannot be passed on to customers, could have a material adverse effect on the Group's profitability and/or loss of customers, and therefore its business, financial condition and results of operations.

The Group operates in competitive markets

The Group faces competition from a number of international service providers, including Cimos, Wuxi Best and Shanghai Real Industrial. Being able to react to its customers' demands is key to maintaining and increasing market share in an increasingly competitive market. The pace of technological improvement presents a significant risk that competitors may be able to adapt to more efficient, faster and more reliable technologies available as well as changing requirements of customers. Accordingly, the Group must focus on ensuring that its products and other services remain at the forefront of technological development particularly in relation to vehicle fleet electrification, sustainability, product relevance, pricing and quality in order to meet customer expectations. This need to constantly improve its offering may also lead to a significant increase in capital expenditure or lead to increases in costs in order to maintain the same level of revenue which may negatively impact the Group's profitability. If the Group is unable to meet existing customers' expectations and provide a competitive or sustainable offering to potential future customers, the Group's future sales could decline, including through the loss of current customers and difficulty obtaining new customers, leading to reduced revenues and profit margins which could materially adversely affect the Group's results of operations.

Risks related to the Group

The Group's future success depends on its ability to satisfy changing customer demand and respond to evolving market and technological trends with attractive and innovative products, technology and services on competitive terms

The Group is currently heavily dependent on its two core products that are both important components in turbochargers for traditional combustion engines. However, the automotive industry is a sector subject to changing trends to a certain extent over the short term and dramatically over the long term. Within the turbochargers market itself trends may change to embrace new technologies or substitute products which would require the Group to react and adapt its product offering to such new trends, resulting in unexpected development costs, reduced demand while such products were being developed and potentially failure to produce sufficiently desirable products at all. Failure to develop a commercially successful product at a competitive price could

have a significant effect on the Group's competitive position resulting in lost sales volumes and potentially lost customers and thus could have an adverse impact on its revenues and financial position of the Group.

Furthermore, the Group has identified a need for, planned and started to implement new short and long-term strategies to penetrate non-turbocharger markets to ensure future growth as the automotive industry over the coming years is expected to transition towards increasing electrification of the passenger and commercial vehicle fleets. While the Group's transition strategy aligns with strategy changes of its key customers, the Group may be unsuccessful in securing new orders due to potential difficulties with maintaining competitiveness in new product and service offerings. The implementation of new product lines may also entail increased research, engineering and production costs, which could adversely affect the Group's margins and results of operations.

The Group is also planning to leverage its expertise in high precision manufacturing to branch out to industries such as the e-mobility, fuel cell, and industrial markets. The diversification to new markets and business segments may entail considerable costs in the establishment of new customer relationships, research, engineering and production as well as a need to comply with differing industry standards which could add an additional layer of complexity to the Group's operations and if the Group does not successfully penetrate such new markets and business segments this may entail considerable sunk costs which could adversely affect the Group's results of operations.

Risks related to IT infrastructure

The Group depends on information technology ("IT") to manage its business processes, including administrative functions. The Group uses IT systems primarily for internal purposes. Extensive downtime of network servers, regional electricity network disruption, attacks by IT-viruses or other disruptions or failures of information technology systems are possible and could have a negative impact on the Group's operations. Failure of the Group's IT systems could cause transaction errors and loss of sales and/or customers, and could have negative consequences for the Group, its employees, and those with whom the Group does business.

The Group's IT systems are dependent on servers which are centralised in Germany, and while this may make it easier to protect the system from external risks, it means that any cyberattack that is successful or other failure in those servers would affect not only the Group's German operation, but their operations worldwide.

There may be unforeseen weaknesses in IT protection systems which could lead to successful cyber-attacks leading to disruptions of operations. Any weaknesses in the IT systems of the Group may mean that the Group cannot protect its systems or potentially operate its business as expected, and accordingly may have a material adverse effect on the Group's net sales, earnings and financial position.

Furthermore, the Group relies partially on third party suppliers for critical IT backup systems. Accordingly, in the event of a loss of data through outages or otherwise, the Group will rely on the support of those suppliers to continue to operate efficiently. Any failures in such backup systems when called on, through human error, negligence or otherwise at the third party supplier would be likely to have a significant adverse impact on the Group. Such suppliers may also suffer from financial or operational difficulties potentially resulting in a failure to provide sufficiently high quality services or any at all.

Risks relating to anti-bribery and anti-corruption regulations and competition laws

If a person discharging certain managerial responsibilities within the Group is accused of committing (even spurious), or found to have actually committed, certain crimes such as bribery, corruption or collusion, the Group might be hindered or prohibited from keeping operations in a

certain jurisdiction or this may lead to fines as well as significant reputational damage. Any accusation of or actual breach of anti-bribery and anti-corruption regulations or competition laws may result in significant fines, loss of customers and therefore loss of revenue.

Furthermore, the Group could be materially adversely impacted by the imposition of measures restricting market access, including tariffs, particularly in relation to possible tariffs on imports into the United States and China. Any such tariffs applicable to the Group's products would be likely to increase the cost of such products to the Group's customers and affect the Group's competitive position in the global market, potentially resulting in reduced demand for the Group's products or even the loss of customers. The materialisation of this risk could have a material adverse effect on the financial position of the Group.

Legal and regulatory requirements, changes in and non-compliance with laws and regulations may have a material adverse effect on the Group's business operations

The Group's business operations are subject to laws, regulations and regulatory requirements on national and international level. These laws include, among others, laws and regulations related to customer protection, labour, pensions, employment, health and safety, data protection, environmental, corporate as well as competition and tax laws. There can be no assurance that the operations of the Group fully comply with all relevant laws and regulations and their respective interpretations in all jurisdictions in which the Group operates. Local authorities may impose administrative fines or other sanctions on the Group, should it violate or otherwise fail to comply with applicable legislation. Also, changes in laws and regulations could require the Group to adapt, among others, its business operations or strategy, and therefore, result in significant costs in complying with new and potentially more stringent regulations. There can be no assurance that the Group's costs for compliance will not significantly increase in the future as a result of new or amended laws or regulations, or as a result of stricter interpretations or stricter enforcement of existing laws and regulations. The Group may also incur other costs related to potential non-compliance with applicable laws and regulations that could have a material adverse effect on the Group's results of operations. To the extent that the Group is unable to pass on the costs of compliance with stricter or changing requirements, taxes and duties to the Group's customers, the Group's profit margins may decline, which could have a material adverse effect on the Group's business, results of operations or financial condition. If the Group is unable to comply with the applicable laws and regulations, this may cause financial losses for the Group, significantly weaken its business opportunities and damage the Group's reputation.

The Group depends on key customers and a significant adverse change in a customer relationship or in a customer's performance or financial position could harm the Group's business and financial condition

In 2022, the Group's two largest customers together represented approximately 84 per cent. of the Group's revenue (however reflecting the global market share split for original equipment manufacturers). To the extent these customers change their business strategy to accommodate for the trend towards increasing electrification of the vehicle fleet, a substantial portion of the Group's revenue could decrease and entail a considerable reduction of demand for the Group's products. The failure to develop or maintain relationships with these key customers could have an adverse effect on the Group's business. If the Group's key customers terminate their relationship, decrease their contracts or change their manner of doing business with the Group, on a temporary basis or permanently, due to technical problems, changes in applicable laws or regulations, political issues or any other reason, such as lack of competitive pricing, such actions could materially adversely affect the Group's business, results of operations, financial condition and cash flows.

In addition, a material decline in the reputation of the Group or a decline in the overall performance or financial condition of a key customer, including bankruptcy or liquidation, could result in a material loss of revenue for the Group and cause it to limit or discontinue business with that

customer. One of the Group's largest customers successfully completed a U.S. Chapter 11 procedure in 2021. Although the procedure did not have a material adverse effect on the Group's operations, any re-emergence of financial difficulties for this customer or any materialisation of such risks mentioned above relating to any of the Group's key customers could lead to significant declines in the Group's revenue and have a material adverse effect on its business, results of operations, financial condition and cash flows.

The Group is dependent upon senior management and other skilled personnel

The Group's success depends, in part, on the efforts of its executive officers and other key employees. The market for experienced personnel is competitive and the Group's future success will depend on its ability to attract and retain such personnel. The Group must review and, where necessary, strengthen its senior management as the needs of the business develop, including through internal promotion and external hires. However, there may be a limited number of persons available and the Group may not be able to locate or employ such experienced personnel on terms acceptable or at all. Therefore, the loss of one or more of the Group's directors or members of senior management or key members of the engineering team or production plant managers, or failure to attract and retain additional or replacement key personnel, could have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, any prolonged period of disruption as a result of labour unrest or strike action (as experienced by the Group in Slovakia in 2021) may lead to loss of revenues, delays in production and potential loss of customers and could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

The Group bears product liability and product liability claims may damage the Group's reputation

The Group is a subcontractor within the automotive industry and is thus exposed to potential claims if the products sold by the Group fail to function as expected, prove to be defective or if use of the products causes, results in, or is alleged to have caused or resulted in, personal injury, property damage or other adverse consequences either through claims based on product liability regulations or on customary guarantees granted by the Group. Defects in products provided by the Group can result in the Group incurring significant costs, e.g. for liability damages. While the Group has relevant insurance in place relating to product liability claims, there is a risk that the Group's insurance would not cover such incidents (partially or at all). It may furthermore prove to be costly and time-consuming to defend against product liability claims, irrespective of whether they relate to personal injury or project delays or other damage, and such claims may potentially damage the Group's reputation and standing in the market, increase the Group's costs, and consequently have a material adverse impact on its financial position.

The Group is subject to operational risks

The Group's business is dependent on its ability to carry out its work in a timely fashion and to meet contractual deadlines, accordingly it is exposed to the operational risk that weaknesses or faults in the Group's processes or systems, as well as delay in completing orders due to significant break downs of machinery and other delays in just-in-time production schedules may lead to lost revenues or in serious cases termination of contracts as well as loss of existing customers, and any reputational damage that may result therefrom. Other operational risks include a lack of employees with sufficient technical skills, strike action by employees, workplace accidents or errors. Any such delays, strikes, missed deadlines, accidents or failure to provide sufficiently qualified operators may therefore result in lost revenues or unexpected costs relating to damage caused or restoration. The materialisation of any such operational risks could therefore have a significant impact on the Group's revenues and profitability.

Any damage to the Group's production plants may impair the Group's ability to effectively conduct its business, increase its costs and damage the Group's reputation

Damage to any of the Group's production plants and the products in stock due to, for example, fire, sabotage, large-scale theft, natural disasters or similar accidents, could have consequences for the Group's ability to fulfil its customer obligations and entail considerable losses for the Group. Damage to machinery and inventory could lead to write-down and impairment losses for the Group and cause delivery disruptions. In turn, this may cause customers to instead choose a competitor to the Group, demand financial compensation from the Group and it may also cause damage to the Group's reputation. While the Group actively works with its insurance coverage, there may be instances where damages to production plants or products in stock may not be sufficiently covered by insurance or at all. If these risks were to materialise, it could adversely impact the Group's earnings, and, consequently, its financial position.

The Issuer is subject to environmental risks

The Issuer is subject to environmental laws and regulations, including laws and regulations governing air emissions, use of plastics and remediation of environmental damage. Compliance with environmental regulation is an on-going process and, as such, new legislation and regulations, the imposition of more stringent requirements, or more rigorous enforcement thereof, may require the Issuer to modify its operations, incur unbudgeted costs in order to comply, or incur fines or penalties for environmental violations. For example, regulations regarding the use of certain fuels or environmental standards for products may limit the Issuer's use of certain types of products or the operations of the Group's production plants, such as the centrifugal casting performed at its Považská site. There is a risk that any such additional expenditure or limitation of the Issuer's operations may have a material adverse effect on the Issuer's business, financial position and results and in turn the performance by the Issuer of its obligations under the Bonds.

The integration of any future acquisitions could consume significant resources and management attention

From time to time, the Group evaluates acquisition opportunities and may acquire or make significant investments in complementary businesses. There can be no assurance that any such future investment or acquisition will be successful. The success of any future acquisition will depend on senior management's ability to identify, negotiate and complete such acquisitions and integrate such businesses or assets. Failure to manage and successfully integrate acquired businesses or assets and failure to utilise synergies could harm the Group's business. Acquisitions involve numerous risks, including difficulties and costs associated with integrating the operations and staff of the acquired businesses, employee related liabilities that are transferred under an acquisition, the diversion of management's attention away from the normal daily operations of the business and the implementation of the Group's strategy, insufficient additional revenue to offset increased expenses associated with acquisitions and the potential loss of key customers and/or employees of the acquired businesses. The occurrence of one or more of these risks could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Group is vulnerable to long customer purchasing processes prior to series production and flexible volume requirements

The Group's production process leading up to long cycles of series production includes stages of concept validation, design development and supplier due diligence prior to the Group being awarded a series production mandate. These pre-series production stages can in aggregate span approximately from 21 up to 48 months. Consequently, the Group may need to dedicate considerable time and resources prior to successfully receiving a series production mandate and in

the event that a customer chooses to proceed with another supplier late in the process the Group's results of operations could be adversely affected.

Furthermore, the profitability of a new production line is based on the forecast order book for the relevant product. However, the contractual arrangements on which such order books are based include flexible volume requirements. Accordingly, even once established, production lines may not return the projected level of revenues if order books do not materialise as expected for any reason. Any significant drop in the expected order book, or misjudgements in forecasting the order book for a particular product would make production lines less profitable or even loss making, thereby potentially having a significant effect on the Group's profitability and financial position.

Health and safety risks

The Group operates in an industry involving hazardous working conditions and heavy machinery. It is therefore subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates and these laws and regulations impose increasingly stringent health and safety protection standards. The costs of complying with, and the liabilities imposed pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and criminal penalties, suspension of permits, temporary or permanent closure of production facilities, or claims or lawsuits by third parties. The Group is subject to the risk of industrial accidents that could lead to stoppages, the loss of key assets and employees (and those of sub-contractors and suppliers) or injuries to persons living near affected sites. Such injuries may lead to claims or lawsuits against the Group leading to the need to pay unforeseen fines or damages, as well as reputational damage. The occurrence of any of these events could have a material adverse effect on the Group's business and financial condition.

Intellectual property rights and trade secrets

While the Group protects itself through, for example, contractual restrictions there can be no assurance that such restrictions will be sufficient to stop any leakage of important technological know-how in respect of the Group's product development, production or sales processes or otherwise. If any significant leak of know-how were to occur, it could have a material adverse effect on the Group's competitive position and accordingly its financial position.

Financial risks

The Group is exposed to currency fluctuation risks

The Group conducts a significant part of its operations in foreign subsidiaries and several subsidiaries do not utilise the Group's reporting currency, Euro, in their operations and financial reporting. Currently, more than 60 per cent. of the Group's business is conducted in EUR. The Group also has considerable sales in USD and RMB. The costs relating to the Group's production plant in Mexico (such as employee and certain supply costs) are incurred in MXN and the Group also sources certain supplies in JPY. Accordingly, the Group is subject to currency translation exposure and fluctuations in exchange rates between EUR and local currencies which could have an adverse effect on the Group's financial position and earnings.

The Group is exposed to long payment terms

The Group's key customers are large automotive industry suppliers with relatively strong negotiation power and although customary in the automotive industry and mitigated by factoring arrangements, the Group may be required to accept longer-than-normal payment terms on its invoices which may cause cash flow problems in case of delayed payments by its customers or other deviations from the Group's cash flow forecasting, such as for example unforeseen delays in product delivery due to accidents, errors, supply-chain disruptions or otherwise.

The Group is potentially exposed to large capital expenditures

The Group is reliant on keeping a state of the art machine park for its high precision manufacturing and has considerable tangible assets on its balance sheet. Any unplanned maintenance or replacement of machinery could have a material adverse effect on the working capital, liquidity and financial position of the Group.

The Group is exposed to liquidity risks

In order to be able to finance its operations and mitigate the effects of fluctuations in cash flows, the Group must ensure that adequate cash resources (i.e. cash and cash equivalents) are readily available by entering into financing arrangements. The Group will under the Terms and Conditions have the ability to retain and/or put in place local working capital facilities on subsidiary level to provide temporary liquidity. However, in case of a breach of the terms and conditions of such arrangements, a lender may be entitled to cancel the entire or part of the commitment. Furthermore, if, for any reason or at any time, the Group cannot get access to liquidity on commercially acceptable terms and conditions or at all, the business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

The Group's tax burden could increase as a result of changes to tax laws or their interpretation

The Group is subject to income taxation in a number of jurisdictions and the expected level of income taxes relies on the interpretation of local tax codes and filings in several countries. In some cases, the final amount of income taxes may remain uncertain or be subject to later adjustments. Changes in tax legislation or interpretation by public authorities may increase the tax burden on the Group or otherwise weaken its financial position. Although the Group strives to ensure that it complies with applicable tax legislation and regulation, the risks related to taxation may, if they materialise, have a material adverse effect on the Group's business and financial condition.

Furthermore, the Group is subject to tax audits and other measures by the tax authorities of different countries and there can be no assurances that penalties or other consequences would not be imposed on the Group based on these audits, the amount of which may be significant and difficult to predict. The Group was subject to a tax audit in France in 2020/2021 which resulted in a EUR 500,000 back-payment of tax for wrongly characterised payments. Currently in Germany another tax audit is ongoing and may result again in back payment of wrongly calculated taxes. While management believes that following these audits the Group's tax arrangements should be fully compliant with local law, there can be no assurance that future tax audits do not uncover further unforeseen tax payments that are required or even penalties for incorrect filings. Any such payments or penalties that are required to be paid, if significant, could have a material adverse effect on the Group's financial position.

RISKS RELATING TO THE BONDS

Risks relating to credit risks in respect of the Bonds and refinancing risk

Bondholders carry a credit risk towards the Issuer and the Guarantors. Bondholders' likelihood of receiving payment under the Bonds is therefore dependent upon the Issuer's and the Guarantors' ability to meet their respective payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The credit risk and the Group's financial position is affected by several factors of which some are mentioned above in the section

“Risks relating to the Group” and also, as further described under section *“The Issuer’s dependence on its subsidiaries and the Issuer’s ability to service the debt”* below.

If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds. Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher premium, which will affect the value of the Bonds negatively.

Another aspect of credit risk is that a deteriorating financial position of the Group may force the Issuer to refinance the Bonds instead of redeeming the Bonds with cash generated by the Group’s operations. The Issuers’ ability to successfully refinance the Bonds and other existing external financing depends on, among other things, the conditions of debt capital markets and its financial condition at such time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a material adverse negative effect on the Group’s business, financial position and its results, and in effect, on the bondholders’ recovery under the Bonds.

Risks relating to the transaction security

Although the Issuer’s obligations towards the bondholders are secured by first priority pledges over the shares in certain Group companies as well as security over certain material intragroup loans and certain floating charges (or fixed charges as applicable) not subject to other permitted security, it is not certain that the proceeds of any enforcement over the secured assets would be sufficient to satisfy all amounts then owed to the bondholders.

The bondholders are represented by Nordic Trustee & Agency AB (publ) as security agent (the **“Security Agent”**) in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. Floating charges may be limited in certain jurisdictions if local stamp duty charges exceed EUR 100,000.

As a consequence of such contractual provisions, bondholders are not entitled to take enforcement action in respect of the transaction security, except through the Security Agent.

In certain jurisdictions, such as e.g. Germany, due to applicable laws and other jurisprudence governing the creation and perfection of security interests, the relevant transaction security secures *“parallel debt”* (the **“Parallel Debt”**) obligations created under the relevant Finance Documents (as defined in the Terms and Conditions) in favour of the Security Agent (and not the bondholders directly). The parallel debt construct has not been fully tested under German law and the relevant transaction security will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability. To the extent the Parallel Debt construct is successfully challenged by other parties, the bondholders might not be entitled to receive any proceeds from the enforcement of the transaction security. In addition, the bondholders will bear the risk associated with the possible insolvency or bankruptcy of the Security Agent or a breach of its obligations as Security Agent towards the secured creditors as further described under section *“The rights of bondholders depend on the Agent’s actions and financial standing”* below.

The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the bondholders’ rights to the security.

Further, the transaction security is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security, and in the case of France,

if a security interest or guarantee is granted during a French hardening period (being the period, which can be up to 18 months, between the date of insolvency and the commencement of insolvency proceedings with respect to a French entity) by a French entity, such security interest and/or guarantee may be declared void or ineffective and it may not be possible to enforce such security interest and/or guarantee.

Risks relating to enforcement of the transaction security

The bondholders do not benefit from a single point of enforcement, i.e., a security interest which allows the bondholders to, by way of enforcement over a single share pledge in one jurisdiction, sell and/or take control over the business of the Group as a whole. Instead, the bondholders are given security over various Group Companies and their respective assets. This may result in the need, in an enforcement scenario, to sell and/or purchase the pledged assets one by one in a number of jurisdictions. Not selling the business of the Group as a whole may adversely affect the value of the security. Coordinating multiple enforcement actions in different jurisdictions is time consuming and associated with increased costs and there is no certainty that this can be achieved due to the multiple jurisdictions in which security is taken. Should an enforcement of the security provided under the Bonds occur, the absence of a single point of enforcement may result in a prolonged enforcement process, increased costs, additional administration and may further limit the number of potential purchasers of the shares. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares.

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

The value of any intra-group loan granted by the Issuer to any subsidiary, which is subject to security in favour of the bondholders, is largely dependent on such subsidiary's ability to repay its loan. Should such subsidiary be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Security interests governed by French law may only secure payment obligations and may only be enforced following a payment default and may only secure an amount equal to the secured amount which is due and unpaid.

Please also see section "*Corporate benefit limitations in providing guarantees and security to the bondholders*" below.

Release of German Transaction Security

Pursuant to court rulings of the German Federal Court of Justice, the taking of initial excessive security (initial over-collateralisation (German. *anfängliche Übersicherung*)) results in the relevant security arrangement being void. In order to ascertain whether an initial over-collateralisation is given, it is, pursuant to a court ruling of the German Federal Court of Justice, necessary to calculate the liquidation value of the security assets which can be realised in the insolvency of the security

grantor (German. *realisierbarer Wert*). While the German Federal Court of Justice does the calculation on a case by case basis, legal authors estimate that an initial over-collateralisation exists if the realisation value of the security amounts to more than 110 per cent. of the secured claim. It is a factual question whether the security granted under the relevant transaction security exceeds this limit.

The Issuer assesses the probability of the occurrence of the abovementioned risks to be low. If the risks were to occur, the Issuer considers the potential negative impact for bondholders to be high as there will be a risk that the other transaction security is not sufficient to ensure that the bondholders recover the full value (or any substantial value) in the case of an enforcement of the transaction security.

Corporate benefit limitations in providing guarantees and security to the bondholders

If a limited liability company guarantees or provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as a dividend to its shareholders at the time the security was provided. If no corporate benefit is derived from the security provided, the security will be limited in value. Further limitations in respect of security, guarantees and/or subordinations may also exist under local law. For instance, the value of guarantees, transaction security and subordination arrangements that will secure the bondholder may be reduced in certain jurisdictions by laws and regulations; including (i) Germany due to capital maintenance requirements and limitations; limiting a company's ability to provide financial assistance or securing obligations of foreign entities and (ii) France due to financial assistance restrictions on securing obligations relating to the acquisition of its shares (or of those of any Group Company) and a financial limitation corresponding to an amount equal to the proceeds from the offering of notes which the Issuer has applied for the direct benefit of each French guarantor through intercompany loans. Consequently, any security granted by a subsidiary of the Issuer could therefore be limited or be without value at all, which in each case would have an adverse effect on the bondholders' security position.

The Issuer's dependence on its subsidiaries and the Issuer's ability to service the debt

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' availability of cash, and their legal ability to make dividends which may from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, the bondholders' ability to receive payment under the Terms and Conditions may be adversely affected.

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, how the Group's future financial and operating performance will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. This would have a negative effect on the Group's operations, earnings, results and financial position.

Subsidiaries, structural subordination and insolvency of subsidiaries

All assets of the Group are owned by, and all revenues are generated in, the subsidiaries of the Issuer. The subsidiaries are legally distinct from the Issuer and have no obligation to make

payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

If the Issuer is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could affect the Issuer's ability to service its payment obligations under the Bonds which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In particular, the Terms and Conditions will allow the Group to incur certain debt at subsidiary level. The lenders of such debt would be structurally senior to the bondholders in an insolvency scenario with direct claims against the relevant subsidiaries of the Issuer. These claims could reduce the value of the subsidiaries available to repay the claims of the bondholders in an enforcement scenario.

In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Further, in France and Germany, insolvency legislation tends to favour the continuation of a business and protection of employment over the payment of creditors. In the context of insolvency proceedings affecting creditors, including court assisted pre insolvency proceedings, and court controlled insolvency proceedings, safeguard proceedings, accelerated safeguard or scheme of arrangements and reorganisation or liquidation proceedings, the ability of bondholders to enforce their rights under the Finance Documents could be limited or suspended.

Subordination Agreement

The Issuer has incurred indebtedness of EUR 15,000,000 from funds managed by Eurazeo (the "**Subordinated Lender**") in connection with the bond issue for the purpose of, *inter alia*, refinancing existing indebtedness of the Group and financing transaction costs (the "**Subordinated Loan**"). The Subordinated Loan is unsecured and subordinated to the Issuer's liabilities towards the bondholders under the bonds, only accrue PIK interest and have a bullet repayment at its maturity date, which will occur after the final redemption date of the Bonds. As the subordination of the Subordinated Loan is contractual pursuant to the terms of a customary subordination agreement, there is a risk that the Subordinated Lender does not comply with the terms of the subordination agreement and impairs the subordination of the Subordinated Loan.

The Subordinated Lender, whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due, may act in bad faith and breach its undertakings in the Subordination Agreement by way of, e.g. making claims of repayment, amending the terms of the Subordinated Loan or requesting security from the Group. If the Subordinated Lender, and the Issuer, takes any such action in breach of the Subordination Agreement, the Issuer's ability to service its payment obligations under the Bonds may be adversely affected resulting in a risk that the bondholders do not receive full or any repayment under the Bonds.

Security over assets granted to third parties

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. In particular, the Terms and Conditions will permit subsidiaries of the Issuer to incur up to EUR 15,000,000 of debt at subsidiary level with separate security over the assets of the relevant subsidiary. Where security is

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

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest of EURIBOR 3 months plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by Swedish and international financial developments and is outside the Group's control.

Liquidity risks and secondary market

Pursuant to the Terms and Conditions, the Issuer intends to list the Bonds on the Frankfurt Stock Exchange Open Market within 60 calendar days from the Issue Date, and there is an obligation to list the Bonds on the corporate bond list of Nasdaq First North Bond Market no later than 12 calendar months from the Issue Date. However, there is a risk that the Bonds will not be admitted to trading within the aforementioned time frames, or at all. If the Issuer fails to procure listing on the Frankfurt Stock Exchange Open Market in time, bondholders who are holding Bonds on an investment savings account (Sw. *ISK* or *IS-konto*) will no longer be able to hold the Bonds on such account, thus affecting such bondholder's tax situation. However, in that situation the bondholders will have the option to require that the Issuer repurchase their Bonds at 101 per cent. of the nominal amount including accrued but unpaid interest (see "*Put Options*" below). Even if the Bonds are admitted to trading on the aforementioned market, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on Nasdaq First North Bond Market. The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, general price and volume fluctuations on the financial markets, as well as other factors. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Benchmark Regulation

The process for determining EURIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments

and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014).

The Benchmark Regulation came into force on 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

Currency risks

The Bonds will be denominated and payable in EUR. If bondholders in the Bonds measure their investment return by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR relative to the currency by reference to which bondholders measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to bondholders when the return on the Bonds is translated into the currency by reference to which the bondholders measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that bondholders may receive less interest or principal than expected, or no interest or principal.

Majority owner

The Issuer is controlled by a majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment, see further under Section "*Put options*" below.

Put options

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder at 101 per cent. of the nominal amount of the Bonds plus accrued and unpaid interest if (i) the Bonds are not admitted to trading on Frankfurt Stock Exchange Open Market within 60 days from the issue date (ii) following a successful listing, the Bonds cease to be listed on Frankfurt Stock Exchange Open Market without being listed on another market place, or (iii) any person or group of persons acting in concert (other than the current owners) acquire control over the Issuer and where "control" means (a) controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole

or a majority of the directors of the board of directors of the Issuer. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

Risks related to early redemption

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

No action against the Issuer and bondholders' representation

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

In addition, under German insolvency laws, the validity of an appointment of an agent for service of process granted by a German entity, such as the appointment by the Issuer of agents for service of process under e.g. Swedish law, is uncertain. Furthermore, such appointments will terminate automatically in the case of an insolvency of the Issuer. As such, the ability of the Agent to bring suit against the Issuer or any guarantor in Sweden, on behalf of the bondholders, may be limited.

The rights of bondholders depend on the Agent's and Security Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent and the Security Agent (being on the issue date Nordic Trustee & Agency AB (publ)) to act on its behalf and to perform administrative functions relating to the Bonds and to hold the transaction security on behalf of the bondholders. Each of the Agent and the Security Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent and the Security Agent as representative of the bondholders will be subject to the provisions of the Finance Documents, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the

Agent's and the Security Agent's performances of their respective duties and obligations relating to the Bonds. There is a risk that a failure by the Agent or the Security Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

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

The materialisation of any of the above risks may have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Bondholders' meetings

The Terms and Conditions include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve matters relating to the bondholders' interests. The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

RESPONSIBILITY FOR THE INFORMATION IN THE COMPANY DESCRIPTION

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

Frankfurt am Main on 23 November 2023

Booster Precision Components GmbH

The Management Board

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Company Description as a whole, including the documents incorporated by reference and the full Terms and Conditions for the Bonds, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “Terms and Conditions for the Bonds” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Company Description.

General

Issuer:	Booster Precision Components GmbH, registered with the commercial register of the local court of Frankfurt am Main, Germany, reg. no. HRB 108196.
The Bonds:	<p>Maximum EUR 60,000,000 in aggregate principal amount of senior secured callable floating rate bonds due 28 November 2026. As of the date of this Company Description, EUR 35,000,000 in aggregate principal amount of the Bonds have been issued.</p> <p>No physical instruments have been issued. The Bonds are issued in dematerialised form and have been registered on behalf of each Bondholder with the Central Securities Depository.</p>
ISIN:	NO0012713520.
First Issue Date:	28 November 2022.
Issue Price of Initial Bonds:	100 per cent.
Interest Rate:	The Bonds shall accrue interest at EURIBOR (or any reference rate replacing EURIBOR in accordance with the Terms and Conditions) plus 9.00 per cent. per annum. If EURIBOR is less than zero, EURIBOR shall be deemed to be zero.
Interest Payment Dates:	<p>Means 28 November, 28 February, 28 May and 28 August in each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention.</p> <p>The first Interest Payment Date for the Bonds was 28 February 2023 and the last Interest Payment Date shall be the Maturity Date (or such earlier date on which the Bonds are redeemed in full).</p>
Final Maturity Date:	28 November 2026.
Nominal Amount:	The initial nominal amount of each Initial Bond was EUR 1,000.
Use of Proceeds:	The proceeds from the Initial Bond Issue were used to (i) repay the Refinancing Debt; (ii) pay Transaction Costs; and (iii) finance general corporate purposes of the Group, including acquisitions and investments.

The Issuer shall use the proceeds from any Subsequent Bond Issue to finance Transaction Costs and general corporate purposes of the Group, including acquisitions and investments.

Status of the Bonds: The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

Guarantee: The Bonds benefit from guarantees and transaction security granted by the guarantors (as outlined in the section “*The Issuer and the Guarantors – The Guarantors*”), and as described in Clause 10 (*Transaction Security and Guarantees*) of the Terms and Conditions.

Early Redemption

Call Option: The Issuer may redeem all, but not only some, of the Bonds at any time until the Final Maturity Date at the applicable call option amount for the relevant date of redemption as set out in Clause 9.3(a) of the Terms and Conditions, together with accrued but unpaid interest.

First Call Date: Twenty-four (24) months after the First Issue Date.

Mandatory Redemption: **Partial** The Issuer shall partially repay the Bonds in an aggregate amount of (i) EUR 1,500,000 on 28 August 2023, (ii) EUR 2,500,000 on each of 28 February 2024, 28 August 2024, 28 February 2025 and 28 August 2025 and (iii) EUR 1,000,000 on 28 February 2026 (or in each case the next applicable CSD Business Day).

Put Option: Upon the occurrence of a Change of Control Event or Listing Failure Event each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer, or a Person designated by the Issuer, shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.

Change of Control Event: Means the occurrence of an event or series of events whereby one or more persons, (other than the Sponsor or an Affiliate thereof) acting together, acquire control over the Issuer and where “**control**” means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

Listing Failure Event: Means that (i) the Initial Bonds are not admitted to trading on the Frankfurt Stock Exchange Open Market within sixty (60) days after the First Issue Date (although the Issuer has the intention to complete such listing within thirty (30) days), (ii) any Subsequent Bonds are not admitted to trading on the Frankfurt Stock Exchange Open Market or any other Market Place within sixty (60) days of the issuance of the relevant Subsequent Bonds, or (iii) in the case of a successful admission to trading, the Bonds cease to be admitted to

trading on the Frankfurt Stock Exchange Open Market without being admitted to trading on another Market Place, preventing trading in the Bonds in close connection to the redemption of the Bonds.

Miscellaneous

Undertakings and Events of Default: The Terms and Conditions include certain undertakings and Events of Default as set out in Clauses 12 (*Financial Undertakings*), 13 (*General Undertakings*) and 14 (*Events of Default and Acceleration of the Bonds*) of the Terms and Conditions.

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

Time-bar: 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.

Listing: The Initial Bonds are listed on the Frankfurt Stock Exchange Open Market and will be admitted to trading on Nasdaq First North Bond Market before 28 November 2023.

Rights: *Decisions by Bondholders*

Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) of the Terms and Conditions from a Person who is, registered as 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 Record Date specified in the communication pursuant to paragraph (c) of Clause 18 (*Written Procedure*) of the Terms and Conditions, in respect of a Written Procedure,

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

Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request 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 of a Written Procedure, as determined by the Agent.

A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The

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

No direct action by Bondholders

Subject to certain exemptions set out in the Terms and Conditions, a Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or their equivalents in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

Agent:	Nordic Trustee & Agency AB (publ), reg. no. 556882-1879 acts as the agent on behalf of the Bondholders. The Agent's rights and duties can be found in the Terms and Conditions which are available on the Issuer's web page: www.booster-precision.com and also contained in this Company Description.
Central Securities Depository:	Verdipapirsentralen ASA, Norwegian Reg. No. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.
Governing Law of the Bonds:	Swedish law.

THE ISSUER AND THE GUARANTORS

The Issuer

The Issuer (legal and commercial name: “Booster Precision Components GmbH”) is a private limited company incorporated in Germany and registered with the commercial register of the local court of Frankfurt am Main with reg. no. HRB 108196. The Issuer’s registered address is c/o Booster Precision Components GmbH, Bockenheimer Landstraße 93, 60325 Frankfurt a. M., Germany. The Issuer has its corporate seat in Frankfurt am Main, Germany. The Issuer’s LEI code is 213800B5BEW3DGUVHO57.

The Issuer’s webpage is: www.booster-precision.com. The information on the Issuer’s website does not form part of this Company Description except to the extent that information is incorporated by reference.

The Guarantors

As at the date of this Company Description, the companies listed in the table below have provided guarantees pursuant to the Guarantee and Adherence Agreement. The companies listed in the table below shall jointly be referred to as the “**Guarantors**” and each a “**Guarantor**” and the table below contains disclosure on each of the Guarantor’s (i) legal and commercial names, (ii) registration number, (iii) date of incorporation, (iv) domicile, place of registration and legal form, (v) address, and (vi) board of directors.

The sections below regarding the Guarantors’ respective principal activities, should be read jointly with the information set out under the section “*Business of the Group*”, as the Guarantors are either directly or indirectly wholly owned subsidiaries of the Issuer through which the Issuer, to a varying extent, operates its business.

Legal name	Corporate details	Board of directors
Booster Precision Components (Schwanewede) GmbH	German private limited liability company, registered with the commercial register of the local court of Walsrode under registration number HRB 205356, incorporated on 8 October 2014. The company’s corporate seat is at Schwanewede, Germany, and its registered address is Industriepark Brundorf 4, 28790 Schwanewede, Germany.	Dr Ralph Wagner (Managing Director) Christoph Gerhard Günther Dibbert (Managing Director)
Booster Precision Components Holding SAS	French simplified joint-stock company, registered with the Annecy Trade and Commercial Registry under unique identification number 532 748 001 RCS Annecy, incorporated on 31 May 2011. The company’s registered address is 320 rue des Sorbiers Site économique des Lacs, 74300 Thyez, France.	Dr Ralph Wagner (President)
Booster Precision Components (Belusa) s.r.o.	Slovak private limited liability company, registered with the commercial register of the District court Trenčín, section: Sro, file No.: 25474/R, ID No.: 47 236 787, incorporated on 13 December 2011.	Rudolf Bernard Grijpma (Individual Managing Director)

	<p>The company's registered seat is at Beluša, Hloža 2520, 018 61 Beluša, the Slovak Republic.</p>	
<p>Booster Precision Components (Povazska Bystrica) s.r.o.</p>	<p>Slovak private limited liability company, registered with the commercial register of the District court Trenčín, section: Sro, file No.: 25473/R, ID No.: 47 236 761, incorporated on 13 December 2011.</p> <p>The company's registered seat is at Robotnícka 2143/79, Považská Bystrica 017 01, the Slovak Republic.</p>	<p>Karol Valko (Individual Managing Director)</p>
<p>Booster Precisión Components Mexicali, S. de R.L. de C.V.</p>	<p>Mexican limited liability company, registered under commercial folio number 30954, incorporated on 23 November 2005.</p> <p>The company's registered address is Mercurio 138, Colonia Parque Industrial Mexicali, 21210, Mexicali, Baja California, México.</p>	<p>Marie Gaelle Cousin (Sole Manager)</p>
<p>Financière de l'Arve SAS</p>	<p>French simplified joint-stock company, registered with the Annecy Trade and Commercial Registry under unique identification number 453 507 931 RCS Annecy, incorporated on 18 May 2004.</p> <p>The company's registered address is 320 rue des Sorbiers Site économique des Lacs, 74300 Thyez, France.</p>	<p>Dr Ralph Wagner (President)</p>

BUSINESS OF THE GROUP

Overview

The Group is a leading global producer of metal precision parts for the automotive turbocharger market. There is however a small but growing share of business derived for the Group from the e-mobility, fuel cell, medical and industrial markets.

The Group produces mainly variable turbine geometries (VTG) and compressor wheels and has a considerable global market share for the relevant turbocharger components.

The Group has a manufacturing presence across Mexico, Germany, Slovakia and China, closely mirroring its important customer sites.

In the financial year ended 31 December 2022, the Group generated revenues of around EUR 156.2 million with 870 employees. EBITDA amounted to EUR 19.5 million, while net profit was at EUR 2.1 million.

Operating History

In 1986, the CCN Group was founded, entering the turbo market shortly after in 1988.

In 2003, PRAE-Turbo was founded.

In 2003, production facilities were set up in Germany.

In 2005, production facilities were set up in Považská, Slovakia, and in Mexico.

In 2011, Halder acquired the CCN Group.

In 2012, production facilities were set up in China.

In 2015, Halder acquired PRAE-Turbo.

In 2015, production facilities were set up in Beluša, Slovakia.

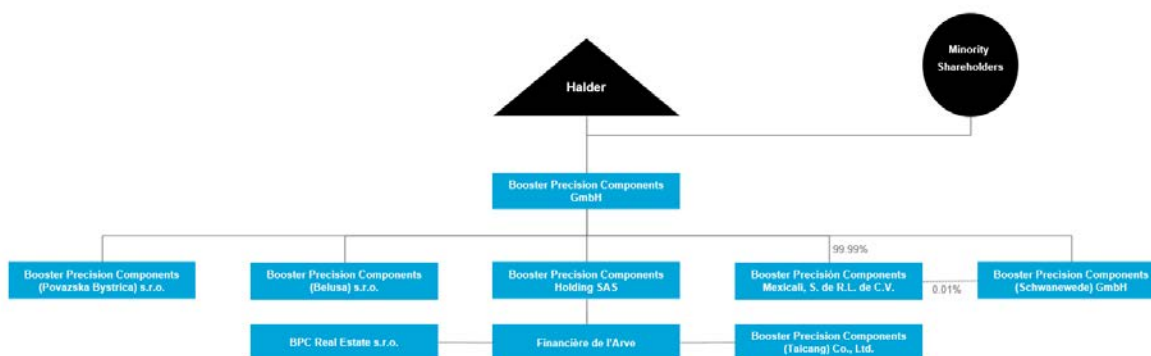
In 2016, Booster was established through a merger between CCN France and PRAE-Turbo Germany.

In 2021-2022, the first orders in scrolls, fuel cells and industry market were received.

In January 2023, the Group commenced production for fuel cell components, as part of a series project.

Legal Structure

The Issuer is the parent company of the Group. As at the date of this Company Description, the Group consists of 8 subsidiaries which are presented in the following group structure chart:



The following table shows the identities of the subsidiaries, the percentage of shares held directly or indirectly by the Issuer and the location of the registered office of each of the subsidiaries:

Subsidiary	Holding (%)	Registered office
Booster Precision Components (Povazska Bystrica) s.r.o.	100%	Slovakia
Booster Precision Components (Belusa) s.r.o.	100%	Slovakia
Booster Precision Components Holding SAS	100%	France
Booster Precisión Components Mexicali, S. de R.L. de C.V.	99.99%	Mexico
Booster Precision Components (Schwanewede) GmbH	100%	Germany
BPC Real Estate s.r.o.	100%	Slovakia
Financière de l'Arve	100%	France
Booster Precision Components (Taicang) Co., Ltd.	100%	China

Business Overview

Customers

The Group serves all of the top five leading turbocharger suppliers, accounting for more than 65 per cent. of global market volumes, alongside OEMs such as Daimler. The Group maintains long-term relations with customers, and has developed high mutual dependencies and obtained a large and consistent order book.

The Group also has ongoing initiatives to drive diversification within and beyond the current customer market segments.

The main geographic markets served by the Group are Mexico, China, Germany, Romania, Poland, Slovakia, USA and Brazil, representing approximately 79 per cent. of the Group's revenue between them.

Strategy

Despite the oligopolistic features of the turbocharger market and relatively high customer concentration, the Group is actively working to diversify its customer base, and enter into new end-markets and customer segments.

The Group is actively working to further expand into the e-mobility, fuel cell technology, and industrial segments, and in particular into turbochargers for hybrid electric vehicles and components for thermal management in e-vehicles and fuel-cell components. These focus areas are

based on promising market growth and volume, and margin potential, as well as relatively manageable market entry barriers.

In terms of further growth strategy, the Group is considering undertaking one to two smaller acquisitions in the medical industry in the near future, with the aim of acquisition targets being (1) production companies operating in the relevant markets the Group intends to enter and (2) capable of providing technological expertise, the necessary certifications and customer access.

Products

The Group's current product portfolio consists of compressor wheels, VTG assemblies and shafts connecting turbine wheels and compressor wheels.

These products are critical components in turbochargers, which are designed to make combustion more efficient and enhance on- and off- highway vehicles' performance characteristics. Common applications of the products include passenger cars (combustion engines), plug-in hybrid passenger cars, heavy commercial vehicles and off-highway vehicles.

Pipeline products of the Group include e-mobility components, fuel cell components and industrial equipment parts.

Services and Solutions

The Group covers the entire manufacturing value chain and demonstrates key differentiation factors, as described below.

Engineering

The Group develops production technologies and undertakes machine modification in close collaboration with its customers. This is complemented by the Group's fast prototyping capabilities and strategic development of product applications in additional markets. The Group also provides a high degree of flexibility for onboarding of new products and material expertise.

Sourcing

The Group conducts internal sourcing of tubes and rings via its Považská site in Slovakia. Remaining raw materials and components are largely multi-sourced, and there is low dependency on most single suppliers. The Group is often directed by customers to raw material suppliers.

Manufacturing

The Group has invested in a highly automated, individualised machine park which reduces the need for blue-collar staff and has sufficient capacity for further growth. Production is flexible and can be adjusted to customer needs.

The Group's global manufacturing network is comprised of production plants in Germany, Slovakia, China and Mexico. Individual production sites focus on the manufacturing of specific components, in order to develop distinct expertise.

Quality control

The Group ensures high quality through an in-house laboratory, constant feedback loops and strong traceability. The Group makes use of fully automated and manual process control and optical inspection.

All production sites are IATF (International Automotive Task Force) certified, and the Beluša, Schwanewede and Mexicali sites are also ISO (International Organisation for Standardisation) 14001 certified.

Logistics

The Group arranges delivery of final products to tier 1 manufacturers or original equipment manufacturers. Product delivery from site is based on geographical proximity to customers. The Group also applies just-in-time supply management and real-time process monitoring.

Marketing & Sales

The Group employs a highly technical sales approach and promotes integration of its engineers with customer teams. Requests for quotation for established products are received almost automatically based on long-term key account management. The global presence of the Group's commercial team is supplemented by a focus on local accessibility.

Employees

As at 31 December 2022, the Group had 870 full time employees and 137 temporary workers. The employment relationships within the Group are mainly permanent.

Ownership Structure

The majority shareholder of the Issuer is Halder Germany II GmbH & Co. KG ("**Sponsor**") which holds approximately 89.32 per cent. of the shares and votes of the Issuer. The remaining shares and votes are held by various minority shareholders. The Sponsor is an experienced private equity investor with expertise in the German-speaking region since 1991, and in the sectors of Industrial, Healthcare and Food & Beverage.

BOARD OF DIRECTORS AND MANAGEMENT

The business address for all members of the Board of Directors of the Issuer and the Senior Management of the Group is c/o Booster Precision Components GmbH, Bockenheimer Landstraße 93, 60325 Frankfurt a. M., Germany. Information on the members of the Board of Directors of the Issuer and the Senior Management of the Group, including significant assignments outside the Group which are relevant for the Issuer, respectively, is set out below.

Board of Directors

Management Board of the Issuer

- Jerko Bartolić has served as Managing Director of the Issuer since 2017.
- Dr Ralph Wagner has served as Managing Director of the Issuer since 2020.

Supervisory Board of the Issuer

- Stephan Schaller was appointed to the Supervisory Board in 2020.
- Dr Harald Balzer was appointed to the Supervisory Board in 2020.

Senior Management of the Group

- Jerko Bartolić is the Chief Executive Officer of the Group. Mr. Bartolić does not have any significant assignments outside of the Group.
- Dr Ralph Wagner is the Chief Financial Officer of the Group. Dr Wagner does not have any significant assignments outside of the Group.

HISTORICAL FINANCIAL INFORMATION

Financial Reports

The Issuer's audited consolidated financial information for the financial years ended 31 December 2021 and 31 December 2022 (the "**Consolidated Financial Statements**") has been prepared pursuant to §§ 290 et seq. HGB (German Commercial Code) in accordance with the provisions of the German Commercial Code on the accounting of corporations, the supplementary provisions of the GmbH Act and the provisions of the articles of association.

The sections of the Consolidated Financial Statements, which are specified in section "*Documents incorporated by reference*" have been incorporated in this Company Description by reference.

Comments on Financial Development

The overall development of the Booster group in 2021 and 2022 was positive.

In 2021 sales grew by 15.3 per cent. to EUR 129.4 million compared to 2020. EBITDA improved to EUR 17.5 million compared to EUR 14 million in 2020. In 2021, net loss was reduced significantly to EUR 1.1 million after a net loss of EUR 4.8 million in 2020.

In 2022, sales amounted to EUR 156.2 million, thus growing by 20.7 per cent. on a year-on-year basis, EBITDA reached EUR 19.5 million (an increase of approximately 11.4 per cent. compared to 2021) and the Group achieved a net profit of EUR 2.1 million.

In the first half of 2023, sales grew by 27 per cent. to EUR 91.4 million (compared to 74.2 million for the first half of 2022). Other income declined and amounted to EUR 2.1 million for the same period (compared to EUR 6.1 million for the first six months in 2022, however distorted by a one-time effect from the sale of a building in Belusa, Slovakia increasing the 2022 other income figure by EUR 2.5 million). EBITDA for the first half year of 2023 is in line with the level for the same period in 2022, however if adjusting for the one-time effect of the sale of the Belusa building, EBITDA has increased by 28.8 per cent. compared to 2022 figures.

MATERIAL CONTRACTS

PIK Facility Agreement

The Issuer as borrower has entered into a EUR 15,000,000 unsecured subordinated PIK facility loan agreement originally dated 3 December 2022 (the “**PIK Facility Agreement**”). The PIK Facility Agreement was provided to the Issuer to be applied towards the partial repayment of the amounts outstanding under the Refinancing Debt (as defined in the Terms and Conditions). Accrued interest under the PIK Facility Agreement will be capitalised and added to the principal amount of the loan. The PIK Facility Agreement terminates on 5 March 2027 and is subordinated to the Notes.

Guarantee and Adherence Agreement

The Issuer and the Guarantors have entered into a guarantee and adherence agreement with Nordic Trustee & Agency AB (publ) as security agent (the “**Security Agent**”) dated 5 December 2022 (the “**Guarantee and Adherence Agreement**”), pursuant to which each Guarantor has agreed to: (i) jointly and severally, irrevocably and unconditionally, guarantee as for its own debt to each Bondholder and the Security Agent the full and punctual payment and performance of all Secured Obligations (as defined in the Terms and Conditions), and (ii) indemnify each Secured Party (as defined in the Terms and Conditions) against any loss incurred by such Secured Party arising out of the non-payment, invalidity or unenforceability of the Secured Obligations.

ADDITIONAL INFORMATION

Reasons for the decision to apply for admission to trading

Pursuant to Clause 13 (*General Undertakings*) of the Terms and Conditions, there is a mandatory undertaking on the Issuer to ensure that the Initial Bonds are admitted to trading on Nasdaq First North Bond Market.

Documents incorporated by reference

In this Company Description, the following documents are incorporated by reference:

- The audited consolidated annual report of the Issuer as at and for the twelve-month period ended 31 December 2021.
- The audited consolidated annual report of the Issuer as at and for the twelve-month period ended 31 December 2022.
- The unaudited consolidated financial report of the Issuer as at and for the six-month period ended 30 June 2023.

The documents incorporated by reference are to be read as part of this Company Description. All such documents are available on the Issuer's website (www.booster-precision.com).

Investors should read all information which is incorporated in the Company Description by reference.

Date of annual general meeting and publication of financial statements

The next annual shareholder meeting of the Issuer is expected to take place prior to the end of June 2024. The Issuer will publish its preliminary annual earnings figures for 2023 on or about 29 February 2024.

Credit rating

No credit rating has been assigned to the Issuer, or its debt securities.

Other relevant information

Neither the Issuer nor any other Group Company is, or have been in the recent past, involved in any dispute or claim which may have or have had, significant negative effects on the Issuer and/or the Group's financial position or profitability, and the Issuer's management is not aware of any other circumstances which may have or have in the recent past had, significant negative effects on the Issuer's and/or the Group's financial position or profitability.

TERMS AND CONDITIONS FOR THE BONDS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

"**Accounting Principles**" means the generally accepted accounting principles, standards and practices in Germany as applied by the Issuer in preparing its annual consolidated financial statements.

"**Additional Guarantor**" means each Material Group Company that has acceded to the Guarantee and Adherence Agreement as Guarantor pursuant to Clause 13.11 (*Guarantors*) (jointly, the "**Additional Guarantors**").

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

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

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

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

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

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

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

"**Bond**" means (a) the debt instrument issued by the Issuer pursuant to these Terms and Conditions, including any Subsequent Bonds, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

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

"**Bondholder**" means the bondholders under the Bonds.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

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

"Business Day Convention" means that if the last day of any Interest Period originally falls on a day that is not a CSD Business Day, the Interest Period will be extended to include the first following CSD Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding CSD Business Day (Modified Following).

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

"Cash and Cash Equivalents" means, at any time, (a) cash in hand held by a Group Company or with a reputable bank credited to an account in the name of a Group Company and in each case to which a Group Company is beneficially and legally entitled and which is within three Business Days available to be transferred to the Issuer and applied towards 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 (excluding legal right to set-off) or any amount standing on client accounts) and (b) short-term, highly liquid investments of the Issuer that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

"Change of Control Event" means the occurrence of an event or series of events whereby one or more persons, not being the Sponsor (or an Affiliate thereof), acting together, acquire control over the Issuer and where **"control"** means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

"Compliance Certificate" means a certificate, in the agreed form between the Agent and the Issuer, signed by the CFO, the CEO or an authorised signatory of the Issuer:

- (a) certifying that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with a Financial Report being made available, certifying that the Maintenance Test is met (including figures in respect of the Maintenance Test and the basis on which it has been calculated);
- (c) if the Compliance Certificate is provided in connection with an Incurrence Test, certifying that the Incurrence Test is met (including figures in respect of the Incurrence Test and the basis on which it has been calculated);
- (d) if the Compliance Certificate is provided in connection with the audited consolidated annual financial statements of the Group being made available, specifying the Material Group Companies and confirming compliance with, or which Group Company/-ies that will accede as Guarantor(s) to the Guarantee and Adherence Agreement in order to ensure compliance with, Clause 13.13 (*Guarantor Coverage*).

"CSD" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Verdipapirsentralen ASA, Norwegian Reg. No. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.

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

"Disbursement Date" means the date of disbursement of the proceeds from the Escrow Account.

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary or non-recurring items (including, but not limited to, any costs incurred by a Group Company as a result of the Permitted Restructuring) provided that such in aggregate do not exceed 10 per cent. of EBITDA for the Reference Period;
- (d) not including any accrued interest owing to any Group Company;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset and any loss or gain arising from an upward or downward revaluation of any asset (in each case, other than in the ordinary course of trading);
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (i) after deducting any earnings of any entity acquired by the Group which are payable by the Group to the seller(s) of such entity;
- (j) after adding any amounts claimed and received under loss of profit or business interruption or equivalent insurance;
- (k) after adding back any amount attributable to the amortisation, depreciation, depletion or non-cash write-down of assets of members of the Group; and
- (l) before taking into account any Transaction Costs,

provided that any leasing liability shall, for the purpose of determining EBITDA, be treated in accordance with the Accounting Principles as in force on the First Issue Date.

"Equity Claw Back" means a voluntary partial prepayment in accordance with paragraph Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*).

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

"Escrow Account" means a bank account of the Issuer into which the Net Proceeds from the Initial Bond Issue will be transferred, and which has been pledged in favour of the

Agent and the bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

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

"Escrow Agreement" shall have the meaning given to the term "Escrow Account Agreement" in the Escrow Account Pledge Agreement.

"EURIBOR" means:

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

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

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

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.10 (*Continuation of the Business*).

"Excluded Jurisdiction" means the People's Republic of China.

"Final Maturity Date" means 28 November 2026.

"Finance Charges" means, for any Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness paid or payable by any member of the Group (calculated on a consolidated basis) in cash or capitalised in respect of that Reference Period.

"Finance Documents" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;

- (c) the Escrow Account Pledge Agreement;
- (d) the Escrow Agreement;
- (e) the Security Documents;
- (f) the Guarantee and Adherence Agreement;
- (g) the Subordination Agreement; and
- (h) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

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

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f) above.

"Financial Report" means the Group's annual audited consolidated financial statements or the Group's quarterly interim unaudited reports, which shall be prepared and made available according to paragraphs (a)(i) and (a)(ii) of Clause 11.1 (*Information from the Issuer*).

"First Call Date" means the date falling 24 months after the First Issue Date.

"First Issue Date" means 28 November 2022.

"Floating Rate Margin" means 9.00 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in paragraph (a) of Clause 28 (*Force Majeure and Limitation of Liability*).

"Group" means the Issuer and each of its Subsidiaries from time to time and **"Group Company"** means any of them.

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

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

"Guarantor Coverage Ratios" means (a) the ratio of the aggregate EBITDA of the Issuer and the Guarantors to the aggregate EBITDA of the Group, and (b) the ratio of the aggregate assets of the Issuer and the Guarantors to the aggregate Total Assets of the Group, in each case calculated on a consolidated basis but excluding (from both the numerator and the denominator) the EBITDA or assets of any Group Company incorporated in an Excluded Jurisdiction.

"Guarantors" means any Initial Guarantor and any Additional Guarantor (each a **"Guarantor"**).

"Incurrence Test" means the incurrence test set out in Clause 12.4 (*Incurrence Test*).

"Initial Bond Issue" means the issuance of the Initial Bonds.

"Initial Bonds" means the Bonds issued on the First Issue Date.

"Initial Guarantors" means Booster Precision Components (Schwanewede) GmbH (reg. no. 205356), Booster Precision Components Holding SAS (reg. no. 532 748 001), Booster Precision Components (Belusa) s.r.o. (reg. no. 47 236 787) and Booster Precision Components (Povazska Bystrica) s.r.o. (reg. no. 47 236 761) (each an **"Initial Guarantor"**).

"Initial Nominal Amount" has the meaning set forth in paragraph (c) of Clause 2 (*Status of the Bonds*).

"Insolvent" means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due (or in respect of any Group Company incorporated (i) Germany, is unable to pay debts as the fall due (Ge. *Zahlungsunfähig*) within the meaning of section 17 of the German Insolvency Code Ge. (*Insolvenzordnung*) or (ii) Slovakia, is unable to pay debts as the fall due (Slovak: *platobne neschopný*) within the meaning of section 3 of the Slovak Bankruptcy and Restructuring Act (*Zákon č. 7/2005 Coll. o konkurze a reštrukturalizácii, v znení neskorších predpisov*)), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*Lag (2022:964) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation or in respect of any Group Company incorporated in Germany or Slovakia is overindebted within the meaning of section 19 of the German Insolvency Code (Ge. *Insolvenzordnung*) or section 3 of the Slovak Bankruptcy and Restructuring Act (*Zákon č. 7/2005 Coll. o konkurze a reštrukturalizácii, v znení neskorších predpisov*), as applicable.

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

"Interest Payment Date" means 28 November, 28 February, 28 May, and 28 August each year. The first Interest Payment Date shall be 28 February 2023. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed

in full). To the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention.

"Interest Period" means in respect of (i) the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, (ii) the first Interest Period for any Subsequent Bonds, the period from (and including) the Interest Payment Date falling immediately prior to the issuance of such Subsequent Bonds to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant) and (iii) any subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" means the Base Rate plus the Floating Rate Margin *per annum* as adjusted by any application of Clause 20 (*Replacement of Base Rate*).

"Issuer" means Booster Precision Components GmbH, a limited liability company incorporated in Germany and registered with the commercial register of the local court Frankfurt a.M. under reg. no. 108196.

"LBBW Financing" means the up to EUR 1,000,000 overdraft facility made available to Booster Precision Components (Schwanewede) GmbH by Landesbank Baden-Württemberg until at least 31 May 2023 (and any extension or refinancing thereof).

"Leverage Ratio" means the ratio of Net Interest Bearing Debt to EBITDA.

"Listing Failure Event" means:

- (a) that the Initial Bonds have not been admitted to trading on Frankfurt Stock Exchange Open Market within sixty days after the First Issue Date (provided that the Issuer shall use its best efforts to list the Initial Bonds within thirty days after the First Issue Date);
- (b) any Subsequent Bonds have not been admitted to trading on Frankfurt Stock Exchange Open Market or any other Market Place within sixty days after the issuance of such Subsequent Bonds (provided that the Issuer shall use its best efforts to admit any Subsequent Bonds to trading within thirty days after the issuance of such Subsequent Bonds), unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed in which case such Subsequent Bonds shall be listed together with the Initial Bonds; or
- (c) in the case of a successful admission to trading, that the Bonds cease to be admitted to trading on Frankfurt Stock Exchange Open Market without being admitted to trading on another Market Place (however taking into account the rules and regulations of the relevant Market Place and the CSD (as amended from time to time)) preventing trading in the Bonds in close connection to the redemption of the Bonds.

"Local Facility" means any working capital facility, overdraft facility or similar agreement (however excluding leasing and recourse factoring arrangements) providing financing for general corporate purposes of the Group, with any Group Company being a borrower thereunder.

"Maintenance Test" means the maintenance test set out in Clause 12.1 (*Maintenance Test*).

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

"Market Place" means a Regulated Market, an MTF or any recognised unregulated market place.

"Material Adverse Effect" means a material adverse effect on:

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

"Material Group Company" means each Guarantor and any other Group Company (other than the Issuer) not incorporated in an Excluded Jurisdiction with earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) or assets representing five per cent. or more of EBITDA (calculated on a consolidated basis according to the latest annual audited consolidated financial statements of the Group) or the Total Assets of the Group.

"Material Intragroup Loan" means any intra-group loan provided by the Issuer or a Guarantor to any Group Company where:

- (a) the term is at least twelve months; and
- (b) the principal amount, when aggregated with all other intra-group loans with a term of at least twelve months between the Issuer or the relevant Guarantor as creditor and the same Group Company as debtor, exceeds EUR 100,000 (or its equivalent in any other currency).

"Mexican Restructuring" has the meaning set forth in the definition of "Permitted Restructuring".

"MTF" means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

"Net Finance Charges" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to Cash and Cash Equivalents.

"Net Interest Bearing Debt" means the Group's consolidated interest bearing Financial Indebtedness less Cash and Cash Equivalents (for the avoidance of doubt, excluding Subordinated Loans, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company, but including any non interest bearing obligations relating to any acquisitions (including any form of deferred purchase prices other than performance based obligations which have not been finally determined)).

"Net Proceeds" means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that its fees and costs shall be deducted) and the Paying Agent for the services provided in relation to the placement and issuance of the Bonds.

"Nominal Amount" means in respect of each Bond the Initial Nominal Amount.

"Obligors" means the Issuer and each Guarantor.

"Paying Agent" means NT Services AS, or another party replacing it, as Paying Agent, in accordance with these Terms and Conditions.

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Finance Documents (except for any Subsequent Bonds);
- (b) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (c) arising under a foreign exchange or interest rate hedging transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (d) incurred in the ordinary course of business of the Group under an Advance Purchase Agreement;
- (e) incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business in a maximum aggregate amount of EUR 10,000,000;
- (f) until and including the Disbursement Date, the Refinancing Debt;
- (g) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) has a final maturity date or a final redemption date; and (B) when applicable, early redemption dates or instalment dates, in each case which occur after the Final Maturity Date;
- (h) incurred as a result of any Group Company acquiring another entity which holds Financial Indebtedness, provided that (i) the Incurrence Test is met (calculated *pro forma* including the acquired entity's indebtedness) and (ii) (A) if the indebtedness does not exceed EUR 10,000,000, such indebtedness is refinanced no later than six months or (B) if the indebtedness exceeds EUR 10,000,000, such indebtedness is refinanced no later than three months, in each case from the completion date of the acquisition with Permitted Debt incurred by the Issuer;
- (i) taken up from a Group Company (including any cash pool arrangements);
- (j) related to any agreements under which a Group Company leases office space or other premises in a maximum aggregate amount of EUR 2,000,000;
- (k) incurred under any Subordinated Loans;
- (l) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (m) under any pension liabilities;

- (n) incurred pursuant to any recourse factoring arrangement in a maximum aggregate amount of EUR 3,000,000 (or its equivalent in any other currency or currencies);
- (o) incurred under any Local Facility in a maximum aggregate amount of EUR 15,000,000 (or its equivalent in any other currency or currencies); and
- (p) incurred pursuant to any debt not otherwise permitted by paragraphs (a) to (o) above, in a maximum aggregate amount of EUR 1,000,000 (or its equivalent in any other currency or currencies).

"Permitted Distribution" means a distribution and/or payment by the Issuer to the Sponsor, any of its Affiliates or any other shareholder of the Issuer in an aggregate amount equal to:

- (a) for the financial year ending on 31 December 2023, the lower of (a) the amount of any Shareholder Contribution received by the Issuer after the First Issue Date, and (b) EUR 2,000,000; and
- (b) for the financial year ending on 31 December 2024, the lower of (i) the amount of any Shareholder Contribution received by the Issuer after the First Issue Date, and (ii) EUR 5,000,000,

in each case less any payment and/or distribution made by the Issuer to the Sponsor, any of its Affiliates or any other shareholder of the Issuer after the First Issue Date.

"Permitted Restructuring" means (a) the acquisition by the Issuer of all the shares held by Financiere de L'Arve SASU (reg. no. 453 507 931) in Booster Precisión Components Mexicali, S. de R.L. de C.V. (reg. no. Mexicali 30954) and the acquisition by Booster Precision Components (Schwanewede) GmbH (reg. no. 205356) of all the shares held by Booster Precision Components Holding SAS (reg. no. 532 748 001) in Booster Precisión Components Mexicali, S. de R.L. de C.V. (the **"Mexican Restructuring"**), and (b) the acquisition by the Issuer of all the shares held by Financiere de L'Arve SASU (reg. no. 453 507 931) in any of Booster Precision Components (Belusa) s.r.o. (reg. no. 47 236 787), Booster Precision Components (Povazska Bystrica) s.r.o. (reg. no. 47 236 761) and BPC Real Estate s.r.o. (reg. no. 36 839 671).

"Permitted Security" means any Security:

- (a) provided under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (d) until refinanced in full, provided for debt permitted under paragraph (h) of the definition of "Permitted Debt" but only over assets held, directly or indirectly, by such acquired entity;
- (e) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;

- (f) provided in relation to any Local Facility by the relevant Group Company being the borrower under such Local Facility;
- (g) until repaid in full, provided in relation to the Refinancing Debt;
- (h) created for the benefit of the financing providers in relation to any Financial Indebtedness incurred in connection with a refinancing of the Bonds in full, permitted pursuant to paragraph (l) of the definition of "Permitted Debt", however provided always that any perfection requirements in relation thereto are satisfied after full repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt); and
- (i) provided pursuant to items (c), (g) or (p) of the definition of "Permitted Debt".

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

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

"Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding CSD Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Agent; and
- (c) another relevant date, or in each case such other CSD Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

"Reference Date" means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

"Reference Period" means each period of twelve consecutive calendar months ending on a Reference Date.

"Refinancing Debt" means:

- (a) the senior secured A notes in an aggregate principal amount of EUR 8,250,000 issued by the Issuer and purchased by certain noteholders pursuant to a notes purchase agreement originally dated 23 June 2017 (as amended or restated from time to time) between, *inter alios*, the Issuer, Idinvest Partners as arranger, security agent and information agent and the noteholders named therein;
- (b) the senior secured B and C notes in an aggregate principal amount of EUR 24,750,000 issued by the Issuer and purchased by certain noteholders pursuant to a notes purchase agreement originally dated 29 January 2015 (as

amended or restated from time to time) between, *inter alios*, the Issuer, Idinvest Partners as arranger, security agent and information agent and the noteholders named therein; and

- (c) the senior secured D notes in an aggregate principal amount of EUR 3,000,000 issued by the Issuer and purchased by certain noteholders pursuant to a notes purchase agreement originally dated 11 July 2019 (as amended or restated from time to time) between, *inter alios*, the Issuer, Idinvest Partners as arranger, security agent and information agent and the noteholders named therein.

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

"Restricted Payment" has the meaning set forth in paragraph (a) of Clause 13.2 (*Restricted Payments*).

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

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

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

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

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

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

"Shareholder Contribution" means a contribution of freely available cash to Issuer by the Sponsor or any of its Affiliates in the form of one or more unconditional shareholder contributions and/or share issues.

"Shareholders' Agreement" means the shareholders' agreement originally dated 5 July 2011 and entered into between, amongst others, the Issuer and the minority shareholders of Booster Precision Components Holding SAS (reg. no. 532 748 001) in relation to the ownership of Booster Precision Components Holding SAS.

"Sole Bookrunner" means Pareto Securities AB.

"Sponsor" means each and any of Halder Germany II GmbH & Co. KG and CAP4CAP Administration GmbH (each with business address in Solo West, Guiollettstraße 48, 60325 Frankfurt am Main) and any fund which is managed or advised by the same investment manager or investment adviser as any of the aforementioned funds or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of any of the aforementioned funds.

"Subordinated Loans" means any loan made to the Issuer as debtor, if such loan:

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

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

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

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

"Subsidiary" means, in respect of which such Person, directly or indirectly:

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

"Total Assets" means by reference to the consolidated balance sheet of the Group, the book value of the total consolidated assets.

"Total Nominal Amount" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

"Transaction Costs" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company directly or indirectly in connection with (a) the Initial Bond Issue and any Subsequent Bond Issue, (b) the admission to trading of the Bonds, and (c) any acquisition or disposal regardless of being completed or abandoned.

"Transaction Security" means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) an account pledge agreement with respect to all of the Issuer's unencumbered (not taking into account any security granted pursuant to the relevant account banks' general terms and conditions) bank accounts in Germany governed by the laws of Germany;
- (b) a notarial share pledge agreement in respect of all shares in Booster Precision Components (Schwanewede) GmbH governed by the laws of Germany;
- (c) an account pledge agreement with respect to all unencumbered (not taking into account any security granted pursuant to the relevant account banks' general terms and conditions) bank accounts in Germany of Booster Precision Components (Schwanewede) GmbH governed by the laws of Germany;
- (d) a pledge agreement with respect to all unencumbered inventory of Booster Precision Components (Schwanewede) GmbH governed by German law;

- (e) an assignment agreement with respect to all unencumbered factoring receivables reassignment rights (Ge. *Abtretung Rückgabeanspruch*) of Booster Precision Components (Schwanewede) GmbH governed by German law;
- (f) a French law collateral agreement which includes a securities account pledge in respect of all shares held by the Issuer in Booster Precision Components Holding SAS governed by the laws of France;
- (g) a pledge agreement with respect to all movable assets, unencumbered receivables and unencumbered bank accounts of Booster Precision Components (Belusa) s.r.o. governed by the laws of Slovakia;
- (h) an enterprise pledge agreement with respect to assets of Booster Precision Components (Povazska Bystrica) s.r.o. governed by the laws of Slovakia; and
- (i) security agreements with respect to existing and future Material Intragroup Loans.

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

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time; and
 - (vii) Bonds being "redeemed" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Terms and Conditions.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous CSD Business Day, as published by the European Central Bank on its website www.ecb.europa.eu. If no such rate is available, the most recently published rate shall be used instead.

- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders, the Security Agent, the Paying Agent and the Agent.
- (f) Each party hereby acknowledges that the provisions of article 1195 of the French Civil Code shall not apply to it with respect to its obligations under the Finance Documents and that it shall not be entitled to make any claim under article 1195 of the French Code civil.

1.3 French terms

In these Terms and Conditions, where it relates to a Guarantor incorporated in France, a reference to:

- (a) "**any analogous procedure or step**" shall include the entry of a judgement for sauvegarde (including sauvegarde financière accélérée and sauvegarde accélérée), redressement judiciaire, cession totale de l'entreprise, or liquidation judiciaire under articles L.620-1 to L.644-6 of the French Commercial Code;
- (b) a "**voluntary agreement**" includes a conciliation or a mandat ad hoc under articles L. 611-3 to L. 611-16 of the French Commercial Code;
- (c) "**control**" has the meaning given in paragraphs 1° and 2° of article L.233-3-I of the French Commercial Code;
- (d) a "**reorganisation**" includes any contribution of part of its business in consideration of shares (apport partiel d'actifs), any merger (fusion) or demerger (scission) implemented in accordance with articles L.236-1 to L.236-24 of the French Commercial Code;
- (e) "**financial assistance**" has the meaning given in article L.225-216 of the French Commercial Code;
- (f) a "**guarantee**" includes any type of *sûreté personnelle*;
- (g) a "**grant**" or "**collateral**" includes a *sûreté réelle* and any transfer by way of security;
- (h) a "**lease**" includes an *opération de crédit-bail*;
- (i) "**liquidator**", "**receiver**", "**administrative receiver**", "*administrator*", "**compulsory manager**" or "**other similar officer**" includes an administrateur judiciaire, mandataire ad hoc, conciliateur, mandataire liquidateur or any other person appointed as a result of any proceedings described in paragraphs (a) and (b) above and (k) and (m) below;

- (j) a "**merger**" includes any fusion implemented in accordance with articles L.236-1 to L.236-24 of the French Commercial Code;
- (k) a "**moratorium**" includes a moratorium under a conciliation procedure in accordance with articles L. 611-4 to L. 611-16 of the French Commercial Code;
- (l) a "**security**" or "**security interest**" includes any type of security (*sûreté réelle*), transfer or assignment by way of security and *fiducie-sûreté*;
- (m) a person being "**unable to pay its debts**" includes that person being in a state of 'cessation des paiements' as defined in article L. 631-1 of the French Commercial Code; and
- (n) a "winding-up", "dissolution" or "administration" includes a redressement judiciaire, cession totale de l'entreprise, a liquidation judiciaire, a sauvegarde (including a sauvegarde accélérée or a sauvegarde financière accélérée) under the Livre VI (Book VI) of the French Commercial Code.

1.4 Slovak terms

In these Terms and Conditions, where it relates to a Guarantor incorporated in Slovakia, a reference to:

- (a) a "**novation**" or "**novated**" under Slovak law includes *privatívna novácia* and *kumulatívna novácia*;
- (b) a "**Security**" governed by Slovak law includes *záložné právo*, *zádržné právo*, *zabezpečovací prevod práva*, and *zabezpečovacie postúpenie pohľadávky*;
- (c) an "**insolvency**" or "**bankruptcy**" includes *konkurzné konanie*, *konkurz*, *reštrukturalizačné konanie*, *reštrukturalizácia* and *nútená správa*;
- (d) a person being "**insolvent**" includes being *v úpadku*, *predĺžený*, *platobne neschopný*, *v konkurze*, *v reštrukturalizácii* and *v nútenej správe*;
- (e) an "**expropriation**", "**attachment**", "**sequestration**", "**distress**" or "**execution**" under Slovak law includes *vyvlastnenie*, *exekúcia* and *výkon rozhodnutia*;
- (f) "**winding-up**" or "**dissolution**" includes *likvidácia*, *zrušenie s likvidáciou* and *zrušenie bez likvidácie bez právneho nástupcu*;
- (g) a "**liquidator**", "**receiver**", "**administrative receiver**", "**administrator**", "**compulsory manager**" or similar officer includes *likvidátor*, *konkurzný správca*, *reštrukturalizačný správca* and *nútený správca*;
- (h) a "**moratorium**" includes *reštrukturalizačné konanie* and *reštrukturalizácia*;
- (i) "**constitutional documents**" includes *spoločenská zmluva*, *zakladateľská listina*, *zakladateľská zmluva*, *štatút* and *stanovy*; and
- (j) "**shares**" includes (i) shares (*akcie*) in a company having the form of a Slovak joint-stock company (*akciová spoločnosť*); and (ii) participation/ownership interest (*obchodný podiel*) in a company having the form of a Slovak private limited liability company (*spoločnosť s ručením obmedzeným*).

2. STATUS OF THE BONDS

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is EUR 1,000 (the "**Initial Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is EUR 35,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The minimum permissible investment in the Initial Bond Issue is EUR 100,000.
- (d) The ISIN of the Bonds is NO0012713520.
- (e) Provided that the Incurrence Test is met (tested on a *pro forma* basis), the Issuer may, on one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount, at par or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 60,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Neither the Issuer nor the Agent shall be responsible to ensure compliance with such laws and each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

The proceeds from the Initial Bond Issue shall be used to (a) repay the Refinancing Debt (including accrued but unpaid interest and any applicable redemption premium), (b) pay

Transaction Costs, and (c) finance general corporate purposes of the Group (including investments and acquisitions).

The proceeds from any Subsequent Bond Issue shall be used to finance Transaction Costs and general corporate purposes (including investments and acquisitions).

4. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

4.1 Conditions Precedent Initial Bond Issue

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Escrow Account is subject to the Agent having received documents and evidence of the Escrow Account Pledge Agreement and the Escrow Agreement being duly executed and perfected (as applicable).
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent, these conditions precedent for disbursement:
 - (i) constitutional documents (including, for each Initial Guarantor incorporated in France, (i) a certificate of incorporation (*K-bis*), an absence of bankruptcy certificate (*certificat de non-faillite*) and a lien certificate (*Etat des inscriptions*) (each being issued no earlier than 15 days prior to the Disbursement Date) and a copy of its articles of association (*statuts*)) and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent or the Security Agent), together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of the Finance Documents, duly executed;
 - (iii) evidence by way of a release letter that the security existing in favour of the Refinancing Debt will be released and discharged upon repayment of the Refinancing Debt;
 - (iv) evidence that the Transaction Security either has been or will be perfected in accordance with the terms of the Finance Documents;
 - (v) an agreed form Compliance Certificate;
 - (vi) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document issued by a reputable law firm; and
 - (vii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Escrow Account) to transfer the

funds from the Escrow Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Escrow Account.

- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) within 60 Business Days from the First Issue Date, the Issuer shall redeem all Bonds at a price equal to 101 per cent. of the Initial Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Escrow Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(e). Any shortfall shall be covered by the Issuer. The redemption date shall fall no later than 30 Business Days after the ending of the 60 Business Days period referred to above.

4.2 Conditions Subsequent

The Issuer shall procure that no later than:

- (a) 15 Business Days after the Disbursement Date, Transaction Security over the shares in each of Booster Precision Components (Belusa) s.r.o. (reg. no. 47 236 787) and Booster Precision Components (Povazska Bystrica) s.r.o. (reg. no. 47 236 761) is granted (and is, or will be, perfected in accordance with its respective terms provided however that all filings for the registration and/or perfection of the Transaction Security shall have been made with the relevant authority prior to such end of such 15 Business Day period); and
- (b) 90 days after the Disbursement Date, each of Financière de l'Arve SAS (reg. no. 453 507 931) and Booster Precisión Components Mexicali, S. de R.L. de C.V. (reg. no. Mexicali 30954) accedes as a Guarantor in accordance with Clause 13.11 (*Guarantors*) and grants security in accordance with Clause 13.12 (*Additional Security*).

5. BONDS IN BOOK-ENTRY FORM

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD. Registration requests relating to the Bonds shall be directed to the Paying Agent or an Account Operator.
- (b) In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD (subject to applicable law).
- (c) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds (subject to applicable law).

6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents it must obtain proof of ownership of the Bonds, acceptable to the Agent.

- (b) A Bondholder 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 and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Agent shall only have to examine the face of a power of attorney or other similar evidence of authorisation that has been provided to it pursuant to this paragraph (c) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7. PAYMENTS IN RESPECT OF THE BONDS

- (a) The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on each payment date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Agent and/or the Paying Agent in advance of each payment date or when other payments are due and payable pursuant to these Terms and Conditions.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a payment date to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.
- (e) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (f) 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

(unless the Issuer has actual knowledge of the fact that the payment was made to the wrong person).

- (g) 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.
- (h) Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

8. INTEREST

- (a) Each Initial Bond carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (but excluding) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Agent will notify the Issuer and the Paying Agent and, if the Bonds are listed, the relevant Market Place (if required by such Market Place), of the new Interest Rate and the actual number of calendar days for the next Interest Period on each Quotation Day.
- (d) If the Issuer fails to pay any amount payable by it on its due date under the Finance Documents ("**Overdue Amount**"), default interest shall accrue on the Overdue Amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two per cent. higher than the Interest Rate. Default interest accrued on any Overdue Amount pursuant to this paragraph (d) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Paying Agent or the CSD, in which case the Interest Rate shall apply instead. These Terms and Conditions apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time. Holders of Overdue Amounts related to interest claims will not have any other rights under these Terms and Conditions than their claim for payment of such interest claim which claim shall be subject to paragraph (g) of Clause 16.

9. REDEMPTION AND REPURCHASE OF THE BONDS

9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

9.2 Issuer's purchase of Bonds

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

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 104.50 per cent. of the Nominal Amount plus the remaining interest payments to, but excluding, the First Call Date, together with accrued but unpaid Interest;
 - (ii) any time from and including the First Call Date, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 104.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.15 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iv) any time from and including the first CSD Business Day falling 36 months after the First Issue Date to, but excluding, the first CSD Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 101.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (v) any time from and including the first CSD Business Day falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.45 per cent. of the Nominal Amount, together with accrued but unpaid Interest; or
 - (vi) notwithstanding the above, at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid interest, provided that (A) the redemption is financed in full by way of one or several Market Loans, and (B) the Bonds are redeemed at any time from and including the date falling 45 months after the First Issue Date to, and including, the Final Maturity Date.
- (b) Redemption in accordance with paragraph (a) above shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. The notice shall specify the relevant Redemption Date. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

- (c) Unless the redemption price is set out in the written notice where the Issuer exercises its right to redemption in accordance with paragraph (a)(i), the Issuer shall publish the redemption price to the Bondholders as soon as possible and at the latest within three Business Days from the date of the notice.
- (d) For the purpose of calculating the remaining interest payments pursuant to paragraph (a)(i) above it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

9.4 Voluntary partial redemption upon an Equity Claw Back (call option)

The Issuer may on one occasion, in connection with an Equity Listing Event redeem up to 30.00 per cent. of the Total Nominal Amount of the Bonds, in which case there shall be a *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 1.00) plus up to, but excluding, the First Call Date a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal to the Call Option Amount for the relevant period.

9.5 Mandatory partial redemption

- (a) The Issuer shall partially repay the Bonds by way of reducing the Nominal Amount of each Bond *pro rata* in an aggregate amount of:
 - (i) EUR 1,500,000 on 28 August 2023;
 - (ii) EUR 2,500,000 on each of 28 February 2024, 28 August 2024, 28 February 2025 and 28 August 2025; and
 - (iii) EUR 1,000,000 on 28 February 2026,

or, in each case, to the extent such day is not a CSD Business Day, the first following day that is a CSD Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a CSD Business Day.

- (b) The repayment per Bond shall be rounded down to the nearest EUR 1.00 and be made at par.

9.6 Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)

- (a) Upon the occurrence of a Change of Control Event or Listing Failure Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 30 calendar days following a notice from the Issuer of the Change of Control Event or a Listing Failure Event pursuant to Clause 11.1(d) (after which time period such rights

lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or a Listing Failure Event.

- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than 20 CSD Business Days after the end of the period referred to in Clause 9.6(a).

10. TRANSACTION SECURITY AND GUARANTEES

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (d) The Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- (e) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent.

11. INFORMATION TO BONDHOLDERS

11.1 Information from the Issuer

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

- (i) as soon as the same become available, but in any event within six months after the financial year ending on 31 December 2022 and any time thereafter within four months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's management board (*Ge. Geschäftsführung*);
 - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (as applicable) of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's management board (*Ge. Geschäftsführung*); and
 - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) or the rules and regulations of the Market Place on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed on a Market Place the information set out in paragraph (a) above shall also be made available by way of press release.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, or a Listing Failure Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (e) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
 - (i) in connection with the testing of the Incurrence Test; and
 - (ii) in connection with a Financial Report being made available pursuant to paragraphs (a)(i) and (a)(ii) above.
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (f) above is correct, and

the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.

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

11.2 Information from the Agent

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with paragraph (b) below, 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 Clauses 14.11(c) and 14.11(d)).
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

11.3 Publication of Finance Documents

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

12. FINANCIAL UNDERTAKINGS

12.1 Maintenance Test

The Maintenance Test is met if the Leverage Ratio is less than:

- (a) 4.00:1 from the First Issue Date until (and including) the date falling 12 months after the First Issue Date;
- (b) 3.75:1 from (but excluding) the date falling 12 months after the First Issue Date until (and including) the date falling 24 months after the First Issue Date;
- (c) 3.50:1 from (but excluding) the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date; and

- (d) 3.25:1 from (but excluding) the date falling 36 months after the First Issue Date until (and including) the Final Maturity Date.

12.2 Testing of Maintenance Test

The Maintenance Test shall be calculated in accordance with the Accounting Principles and tested on each Reference Date by reference to the Financial Reports ending on the relevant Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 December 2022.

12.3 Equity Cure

- (a) If there is a breach of the Maintenance Test, no Event of Default will occur if, within 30 Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with these Terms and Conditions, the Issuer has received equity injections in cash in the form of a share issue, an unconditional shareholder contribution or Subordinated Loans in an amount sufficient to ensure compliance with the relevant Maintenance Test, as at the relevant Reference Date (the "**Cure Amount**").
- (b) The calculation of the Leverage Ratio shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced with an amount equal to the Cure Amount.
- (c) Any equity cure made pursuant to this Clause 12.3 must be made in cash and no more than two such equity cures are to be made over the life of the Bonds. Equity cures made pursuant to this Clause 12.3 may not be injected in respect of any consecutive calendar quarters.

12.4 Incurrence Test

The Incurrence Test is met if:

- (a) the Leverage Ratio is less than:
 - (i) 3.00:1 from the First Issue Date until (and including) the date falling 12 months after the First Issue Date;
 - (ii) 2.75:1 from (but excluding) the date falling 12 months after the First Issue Date until (and including) the date falling 24 months after the First Issue Date;
 - (iii) 2.50:1 from (but excluding) the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date;
 - (iv) 2.25:1 from (but excluding) the date falling 36 months after the First Issue Date until (and including) the Final Maturity Date; and
- (b) no Event of Default is continuing or would occur upon the relevant incurrence or payment.

12.5 Testing of the Incurrence Test

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

- (a) a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness or the making of a Restricted Payment (as applicable); and
- (b) the Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12.6 Calculation Adjustments

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

- (a) entities or businesses acquired by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included, *pro forma*, for the entire Reference Period;
- (b) entities or businesses disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Reference Period;
- (c) any entity or business to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period; and
- (d) the net cost savings and/or cost synergies realisable for the Group during the next twelve months as a result of acquisitions and/or disposals of entities referred to in (a) to (c) above, provided that:
 - (i) the aggregate of such cost savings and/or cost synergies together with any adjustments made to EBITDA in respect of extraordinary or exceptional items pursuant to paragraph (c) in the definition of "EBITDA" do not exceed an aggregate maximum amount of ten per cent. of EBITDA for the relevant Reference Period;
 - (ii) such cost savings and/or cost synergies are confirmed in writing by the Chief Financial Officer of the Issuer.

13. GENERAL UNDERTAKINGS

13.1 General

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

13.2 Restricted Payments

- (a) No Obligor shall, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend on its shares (other than to the Issuer or a direct or indirect Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, such payment is made on a *pro rata* basis);
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;
 - (iv) grant any loans other than as set out under Clause 13.6 (*Loans Out*);
 - (v) repay any Subordinated Loans or pay capitalised or accrued interest thereunder; or
 - (vi) make any other similar distribution or transfers of value to the direct or indirect shareholders of the Issuer, or any Affiliates of the Issuer (other than any wholly owned Group Companies),

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

- (b) Notwithstanding the above, a Restricted Payment may be made by the Issuer:
- (i) to the Sponsor, its Affiliates and/or any other shareholder of the Issuer if such Restricted Payment constitutes a Permitted Distribution and provided that:
 - (A) the Incurrence Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and
 - (B) no Event of Default is outstanding or would occur as a result of such Restricted Payment; or
 - (ii) if an Equity Listing Event has occurred, provided that at the time of the payment:
 - (A) the Incurrence Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and
 - (B) the aggregate amount of all Restricted Payments of the Group in any financial year (including the relevant Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous financial year adjusted for any distribution to any minority shareholder.

13.3 Listing:

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to trading on Nasdaq First North Bond Market within twelve months after the First Issue Date;

- (b) any Subsequent Bonds are admitted to trading on Nasdaq First North Bond Market within 60 days after the issuance of such Subsequent Bonds (unless such Subsequent Bonds are issued before the Initial Bonds are admitted to trading on Nasdaq First North Bond Market, in which case such Subsequent Bonds shall be admitted to trading within twelve months after the First Issue Date); and
- (c) the Bonds, if admitted to trading on Nasdaq First North Bond Market, continue being admitted to trading thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq First North Bond Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds.

13.4 Nature of Business

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

13.5 Financial Indebtedness

No Obligor shall, and shall procure that no other Group Company will, incur, prolong, renew or extend any Financial Indebtedness, other than Permitted Debt.

13.6 Loans Out

No Obligor shall, and shall procure that no other Group Company will, extend any loans in any form to any other party, save for (i) to other Group Companies, or (ii) in the ordinary course of business of the relevant Group Company.

13.7 Disposal of Assets

- (a) No Obligor shall, and shall procure that no other Group Company will, sell or otherwise dispose of any shares in any Group Company or of all or substantially all of its or that Group Company's assets or operations other than:
 - (i) to the Issuer or any of its wholly-owned Subsidiaries;
 - (ii) any sale and leaseback arrangement entered into by a Group Company in respect of the real estate located in Povazska Bystrica owned by BPC Real Estate s.r.o. (reg. no. 36 839 671) provided that such sale and leaseback arrangement does not have a Material Adverse Effect and is carried out on customary terms; or
 - (iii) if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.
- (b) No asset that is subject to Transaction Security (other than under a business mortgage, or a floating charge) may be disposed of other than in accordance with the terms of the relevant Security Document, and it is understood that:
 - (i) any Slovak law governed Transaction Security granted over the shares in, or assets of, a Guarantor incorporated in Slovakia shall be permitted to be disposed of subject to:
 - (A) compliance with the requirements in this Clause 13.7; and

- (B) the prior written consent of the Security Agent (such consent to be given as long as no Event of Default has occurred and is continuing, or would occur as a result of the disposal and such disposal being compliant with the requirements in this Clause 13.7, as certified to the Security Agent in writing by the Issuer),

and that the Slovak law governed Transaction Security over any asset permitted to be sold in accordance with the aforementioned conditions may be released by the Security Agent pursuant to the terms of the Security Documents if the sale is made to a third party buyer not being a Group Company or an Affiliate of a Group Company; and

- (ii) the shares of Booster Precisión Components Mexicali, S. de R.L. de C.V. (reg. no. Mexicali 30954) may be sold between pledgors under the relevant Security Document (or to a pledgor under a new Security Document) if such sale constitutes a Mexican Restructuring, is made in accordance with the terms of the relevant Security Document and provided that all shares in Booster Precisión Components Mexicali, S. de R.L. de C.V. remains subject to a legal, valid and enforceable Transaction Security following such sale.

13.8 Negative Pledge

No Obligor shall, and shall procure that no other Group Company will, provide, prolong or renew any security over any of its/their assets (present or future), provided however that the Group shall have a right to provide, retain, prolong or renew, any Permitted Security.

13.9 Dealings at arm's length terms

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

13.10 Compliance with laws and authorisations

Each Obligor shall, and shall make sure that each other Group Company will (i) comply with all laws and regulations applicable from time to time, and (ii) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

13.11 Guarantors

The Issuer shall, within 60 days from the delivery of the Compliance Certificate delivered in connection with the Group's annual audited consolidated financial statements ensure that each Group Company which is nominated in the Compliance Certificate as a Material Group Company (or otherwise required to comply with Clause 13.13 (*Guarantor Coverage*)) accedes to the Guarantee and Adherence Agreement and that the shares of such Material Group Company or Group Company (as applicable) are pledged in favour of the Bondholders (subject to customary financial assistance and corporate benefit limitations), to the extent that such Group Companies are not already Guarantors. The Issuer shall procure that relevant corporate authorisation documents and legal opinion(s) on the capacity and due execution in relation to any party not incorporated in Sweden and the validity and enforceability of any Security Documents not governed by Swedish law, in

each case issued by a reputable law firm (if applicable) are delivered to the Agent in connection with such accession and the granting of such share pledge (or other equivalent security interest).

13.12 Additional Security

The Issuer shall ensure that each Guarantor, as security for the Secured Obligations:

- (a) simultaneously with becoming a Guarantor grants Transaction Security over any existing Material Intragroup Loan and, to the extent possible in the relevant jurisdiction, any future Material Intragroup Loans;
- (b) within 60 days upon extending a Material Intragroup Loan which is not subject to Transaction Security under paragraph (a) above, grants a pledge over that Material Intragroup Loan and, to the extent possible in the relevant jurisdiction, any future Material Intragroup Loans;
- (c) (in respect of any Guarantor incorporated in Germany only) simultaneously with becoming a Guarantor, grants Transaction Security over all its unencumbered inventory, German bank accounts (not taking into account any security granted pursuant to the relevant account banks' general terms and conditions) and security over factoring receivables reassignment rights (Ge. *Abtretung Rückgabeanspruch*); and
- (d) (save for in respect of any Guarantor incorporated in Germany or Mexico) simultaneously with becoming a Guarantor, grants Transaction Security over floating charges (or, (i) in relation to any Guarantors incorporated in France, appropriate fixed charges and (ii) in relation to any Guarantors incorporated in Slovakia, pledges of enterprise) of such Guarantor which is not subject to security for any Permitted Debt and provided in each case that the relevant Guarantor shall not need to provide such floating charge security, pledge of enterprise or other similar security (as applicable) if the relevant Guarantor would incur any stamp duty, notarisation costs or other similar fees and expenses exceeding EUR 100,000 (or its equivalent in any other currency or currencies) in connection with granting such security,

and that customary conditions precedent and legal opinion(s) (if the relevant Group Company is a non-Swedish entity) are delivered to the Agent's satisfaction (acting reasonably).

13.13 Guarantor Coverage

The Issuer shall, within 60 days from the delivery of the Compliance Certificate delivered in connection with the Group's annual audited consolidated financial statements, ensure that that the Guarantor Coverage Ratios are at least 85 per cent.

13.14 Shareholding in Booster Precision Components Holding SAS

The Issuer shall use its best efforts to either:

- (a) buy out the minority shareholder in Booster Precision Components Holding SAS (reg. no. 532 748 001) at a fair market price and grant Transaction Security over any acquired shares; and/or
- (b) procure that the minority shareholder in Booster Precision Components Holding SAS consents to:

- (i) the Issuer granting Transaction Security over its shares in Booster Precision Components Holding SAS notwithstanding the restrictions in the Shareholders' Agreement;
- (ii) extend the term of the Shareholders' Agreement beyond the Final Maturity Date; and
- (iii) the authorisation of the Security Agent to exercise any right of the Issuer under the Shareholders' Agreement in connection with an enforcement of the Transaction Security granted over the shares in Booster Precision Components Holding SAS.

13.15 LBBW Financing

The Issuer shall, and shall procure that Booster Precision Components (Schwanewede) GmbH will, use its best efforts to procure that the LBBW Financing of Booster Precision Components (Schwanewede) GmbH is converted into an unsecured financing and that any assets subject to security for the LBBW Financing is irrevocably released provided that such conversion and release does not have a material adverse effect on the Group's other financing arrangements and that such assets are made subject to Transaction Security within 20 Business Days from such release.

13.16 Conditions Subsequent

Each Obligor shall procure that the conditions subsequent referred to in Clause 4.2 (*Conditions Subsequent*) are satisfied no later than within the applicable time periods specified therein.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.11 (*Acceleration of the Bonds*)) is an Event of Default.

14.1 Non-Payment

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

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five Business Days (or the following CSD Business Day if the fifth Business Day is not a CSD Business Day) of the due date.

14.2 Maintenance Test

The Issuer has failed to comply with the Maintenance Test and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 12.3 (*Equity Cure*).

14.3 Other Obligations

A party (other than the Agent) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clauses 14.1 (*Non-Payment*) and 14.2 (*Maintenance Test*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within 20 Business Days from a request in writing by the Agent to remedy such failure or from such party becoming aware of the non-compliance (if the failure or violation is not capable of

being remedied, the Agent may declare the Bonds due and payable without such prior written request).

14.4 Cross payment default and Cross-acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 14.4 if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,000,000 (or the equivalent thereof in any other currency) and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

14.5 Insolvency

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

14.6 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 Business Days of commencement or, if earlier, the date on which it is advertised, (ii) proceedings or petitions concerning a claim which is less than EUR 1,000,000 (or the equivalent thereof in any other currency), and (iii), in relation to Subsidiaries, solvent liquidations) in relation to:

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

14.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer, any Guarantor or any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 1,000,000 (or the equivalent thereof in any other currency) and is not discharged within 30 Business Days.

14.8 Mergers and demergers

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to

existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

14.9 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer or any Group Company to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable, provided that it has a Material Adverse Effect.

14.10 Continuation of the Business

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

14.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.11(e), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. 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 Clause 14.11(d) below 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.
- (d) The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (e) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

- (f) 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.
- (g) In the event of an acceleration of the Bonds in accordance with this Clause 14.11, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

15. DISTRIBUTION OF PROCEEDS

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the below) shall be distributed in the following order of priority:
 - (i) *first*, in or towards payment *pro rata* of:
 - (A) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders);
 - (B) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent;
 - (C) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with paragraph (g) of Clause 21.2 (*Duties of the Agent and the Security Agent*); and
 - (D) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with paragraph (n) of Clause 16 (*Decisions by Bondholders*);
 - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
 - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in paragraph (a) of Clause 7 (*Payments in Respect of the Bonds*) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*) and/or Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) due but not made, the Record Date specified in Clause 9.4 and/or Clause 9.6 (as applicable) shall apply.

16. DECISIONS BY BONDHOLDERS

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:
 - (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given; or
 - (ii) the suggested decision is not in accordance with applicable regulations.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the Record Date specified in the communication pursuant to paragraph (c) of Clause 18 (*Written Procedure*), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to paragraph (c) of Clause 18 (*Written Procedure*):
 - (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 60,000,000 (for the avoidance of doubt, for which consent shall be required on each occasion such Subsequent Bonds are issued);
 - (ii) a change to the terms of any of paragraphs (a) and (f) to (h) of Clause 2 (*Status of the Bonds*);
 - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
 - (iv) a change to the Interest Rate (other than as a result of an application of Clause 20 (*Replacement of Base Rate*)) or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*) and/or Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*));
 - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
 - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
 - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
 - (viii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (ix) amend any payment day for principal or interest amount or waive any breach of a payment undertaking;
 - (x) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement (as applicable);

- (xi) a mandatory exchange of the Bonds for other securities; and
 - (xii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by paragraph (e) above shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to paragraph (c) of Clause 18 (*Written Procedure*). 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 paragraph (a)(i) or (a)(ii) of Clause 19 (*Amendments and Waivers*), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantees.
- (g) Neither a Bondholders' Meeting nor a Written Procedure can resolve that any overdue payment of any instalment shall be reduced unless there is a *pro rata* reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (h) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

- (i) 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 paragraph (a) of Clause 17 (*Bondholders' Meeting*)) or initiate a second Written Procedure (in accordance with paragraph (a) of Clause 18 (*Written Procedure*)), 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 paragraph (h) of Clause 16 (*Decisions by Bondholders*) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (j) 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.
- (k) 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.

- (l) 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.
- (m) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (n) 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.
- (o) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (p) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. BONDHOLDERS' MEETING

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with paragraph (a) above with a copy to the Agent. After a request from the Bondholders pursuant to paragraph (c) of Clause 21.4 (*Replacement of the Agent and the Security Agent*), the Issuer shall no later than five 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 paragraph (a) above.
- (c) The notice pursuant to paragraph (a) above 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), (iv) a form of power of attorney, (v) any applicable conditions precedent and conditions subsequent, (vi) the reasons for, and contents of, each proposal, (vii) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment, (viii) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement and (ix) information on where additional information

(if any) will be published. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (d) The Bondholders' Meeting shall be held no earlier than ten Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18. WRITTEN PROCEDURE

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five 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 Bondholder through the CSD.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with paragraph (a) above to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to paragraph (a) above 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 a Bondholder (whether registered or a beneficial owner with proof of ownership in accordance with Clause 6 (*Right to Act on Behalf of 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, (v) any applicable conditions precedent and conditions subsequent, (vi) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment, (vii) if the voting is to be made electronically, the instructions for such voting, (viii) information on where additional information (if any) will be published and (ix) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten Business Days from the communication pursuant to paragraph (a) above). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to paragraphs (e) and (f) of Clause 16 (*Decisions by Bondholders*) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to paragraph (e) or (f) of Clause 16 (*Decisions by Bondholders*), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.
- (e) The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

19. AMENDMENTS AND WAIVERS

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

20. REPLACEMENT OF BASE RATE

20.1 General

- (a) Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 20 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- (b) If a Base Rate Event has occurred, this Clause 20 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of EURIBOR.

20.2 Definitions

In this Clause 20:

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

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

"**Base Rate Amendments**" has the meaning set forth in Clause 20.3(d).

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

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

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

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

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

"**Successor Base Rate**" means:

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

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

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

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

Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

20.4 Interim measures

- (a) If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
 - (i) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (ii) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- (b) For the avoidance of doubt, paragraph (a) above shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20. This will however not limit the application of paragraph (a) above for any subsequent Interest Periods, should all relevant actions provided in this Clause 20 have been taken, but without success.

20.5 Notices etc.

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 27 (*Notices and Press Releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

20.6 Variation upon replacement of Base Rate

- (a) No later than giving the Agent notice pursuant to Clause 20.5 (*Notices etc.*), the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 20.3(c)) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 20. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Paying Agent and the Bondholders.
- (b) Subject to receipt by the Agent of the certificate referred to in paragraph (a) above, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay

effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 20.

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

20.7 Limitation of liability for the Independent Adviser

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

21. APPOINTMENT AND REPLACEMENT OF THE AGENT AND THE SECURITY AGENT

21.1 Appointment of Agent and the Security Agent

- (a) By subscribing for Bonds, each initial Bondholder:
 - (i) appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees;
 - (ii) appoints the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Subordination Agreement, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees;
 - (iii) appoints the Security Agent as trustee and administrator for the purpose of accepting and, administering including releasing the Security Documents (in respect of German Security Documents by way of a fiduciary relationship (Ge. *Treuhand*)) for and on behalf of the other Secured Parties and the Security Agent hereby accepts such appointment on the terms and subject to the conditions set out herein;
 - (iv) authorises the Security Agent to accept, as its representative (Ge: *Stellvertreter*), any Security governed by German law granted to the Secured Parties in relation to the Finance Documents and any related documents and to act and execute on its behalf as its representative (Ge. *Stellvertreter*), subject to the terms of these Terms and Conditions,

amendments or releases of, accessions and alterations to, and to carry out similar dealings with regard to any Security Document;

- (v) authorises the Security Agent to execute on behalf of itself and each other Secured Party where relevant without the need for any further referral to, or authority from, any other person all necessary releases or confirmations of any Transaction Security created under the Security Documents and to exercise such rights, remedies, powers and discretions as are specifically delegated to or conferred upon the Security Agent under the Security Documents together with such powers and discretions as are reasonably incidental thereto; and
 - (vi) for the purposes of these Terms and Conditions, any Security Document governed by German law and each other Finance Document, releases the Security Agent from the restrictions of section 181 German Civil Code (*Ge. Bürgerliches Gesetzbuch*) and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible by such Bondholder. A Bondholder which is barred by its constitutional documents or by-laws from granting such exemption shall notify the Security Agent accordingly.
- (b) With respect to any Security Document governed by French law only, by subscribing for Bonds, each initial Bondholder as *mandant*:
- (i) irrevocably and unconditionally appoints the Security Agent to act as agent (*Fr. mandataire*) pursuant to clause 1984 of the French civil code (with full power to appoint and to substitute and to delegate) on its behalf to do anything upon the Finance Documents under or in connection with any Security Documents governed by French law, including, if need be, the appointment of a custodian which shall hold assets on its behalf (including, as may be the case, share certificates or share registries relating to shares in the capital of any member of the Group) in custody under any Security Document, and the Security Agent accepts such appointment governed by French law;
 - (ii) confirms its approval of the Security Documents governed by French law creating or expressed to create a Security governed by French law benefiting it and any Security governed by French law created or to be created pursuant thereto and irrevocably authorises (with power of delegation), empowers and directs the Security Agent (by itself or by such person(s) as it may nominate) to execute and deliver for and on its behalf each Transaction Security governed by a Security Document governed by French law, to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to the Security Agent or any Bondholder under or in connection with the Security Documents governed by French law, together with any other rights, powers and discretions which are incidental thereto and to give a good discharge for any moneys payable under the Security Documents governed by French law;
 - (iii) acknowledges that the Security Agent has been appointed by it to constitute, register, manage and enforce all Transaction Security created in its favour by any Security Documents governed by French law, and agrees that the Security Agent may exercise the rights and perform the obligations assumed by it pursuant to its nomination in accordance with applicable law from time to time;

- (iv) authorises the Security Agent to take any steps necessary and collect all information necessary or, in the Security Agent's discretion, desirable for the preparation of any Security Document governed by French law, the perfection, the preservation and/or the enforcement of any Security governed by French law created in its favour by any Security Documents governed by French law; and
- (v) authorises the Security Agent to execute on behalf of itself and each Secured Party where relevant:
 - (A) following the occurrence of the Final Maturity Date and a redemption of the Bonds in full, releases of all Security governed by French law granted under the Security Documents governed by French law; and
 - (B) all necessary releases of Security governed by French law under the Security Documents governed by French law, in each case, permitted under these Terms and Conditions and the Guarantee and Adherence Agreement.
- (c) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clauses 21.1(a) and 21.1(b) (as applicable).
- (d) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (e) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (f) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (g) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

21.2 Duties of the Agent and the Security Agent

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders

and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.

- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.
- (l) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 21.2(i).

21.3 Limited liability for the Agent and the Security Agent

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

21.4 Replacement of the Agent and the Security Agent

- (a) Subject to Clause 21.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent and/or the Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders shall have the same rights

and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent and/or the Security Agent.

- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agree otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

22. APPOINTMENT AND REPLACEMENT OF THE CSD

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may 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 is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorized as a central securities depository in accordance with any applicable securities legislation.

23. APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT

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

24. NO DIRECT ACTIONS BY BONDHOLDERS

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Paragraph (a) above 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 paragraph (d) of Clause 21.1 (*Appointment of Agent and the Security Agent*)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 21.2(i), such failure must continue for at least 40 Business Days after notice pursuant to Clause 21.2(l) before a Bondholder may take any action referred to in paragraph (a) above.

- (c) The provisions of paragraph (a) above shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

25. FRENCH SECURITY AND POST-CLOSING LIABILITIES

- (a) Upon any amendment which is made after the date hereof to the Finance Documents resulting or expecting to result in more onerous payment obligations upon the relevant Guarantors under the Finance Documents, then, to the extent that the relevant new liabilities are permitted to be created and to be secured by any Transaction Security governed by French law (the "**Post-Closing Liabilities**"):
 - (i) the relevant Guarantor may grant to the providers of such Post-Closing Liabilities, additional security and guarantees by executing additional Security Documents governed by French law and guarantee agreements on a second or, based on the chronological order in which such security is taken, lesser ranking basis (the "**Additional Security Documents**") which, irrespective of such ranking, will benefit from the order of priority and ranking set out in Clause 15 (*Distribution of Proceeds*); and
 - (ii) by subscribing to and/or acquiring any Bonds, each Bondholder under the then existing Security Documents governed by French law (the "**Existing Security Documents**") consents to and authorises the creation of any Additional Security Document on any secured assets and, for that purposes, authorises and/or appoints and instructs the Security Agent (acting as a creditor of any parallel debt and/or on behalf of each Bondholder, including the creditor of any Post-Closing Liabilities) to enter into any Additional Security Documents.
- (b) The parties expressly agree that the Secured Parties which are beneficiaries of any Additional Security Documents will receive the proceeds of enforcement of any Transaction Security created pursuant to the Additional Security Documents in accordance with Clause 15 (*Distribution of Proceeds*), regardless of the ranking of the security stated in the Additional Security Document.
- (c) Nothing in this Clause 25 restricts a Secured Party benefiting from any Transaction Security under an Existing Security Document from enforcing, perfecting and/or releasing such Existing Security Documents in accordance with, and to the extent permitted by these Terms and Conditions and subject to the terms of such Existing Security Document.
- (d) Any decision to enforce any Existing Security Documents or the Additional Security Documents must be taken in accordance with the provisions of these Terms and Conditions regardless of the ranking of the relevant Transaction

Security and, unless otherwise decided, any decision to enforce the Existing Security Documents shall entail enforcement of Transaction Security under all the Additional Security Documents.

- (e) Each Secured Party agree not to take any action to challenge the validity, the perfection or enforceability of any Existing Security Document and/or any Additional Security Document by reason of it being expressed to be lower ranking or otherwise.
- (f) Each Secured Party which becomes the beneficiary of any such lower ranking under an Additional Security Document agrees not to take any action to challenge the validity or enforceability of any Existing Security Document and/or any Additional Security Document by reason of it being expressed to be prior ranking, lower ranking or otherwise.
- (g) No Secured Party benefiting from the Existing Security Documents shall incur any liability to the beneficiaries of any Additional Security Document for the manner of exercise or any non-exercise of their rights, remedies, powers, authority or discretions under such already existing Transaction Security or for any waivers, consents or releases.
- (h) To the extent necessary, each relevant Guarantor and each Secured Party (other than the Security Agent) agree that the Security Agent may act as *tiers convenu* in relation to any Additional Security Document or may designate or appoint any person or entity to act as *tiers convenu* as it sees fit.

26. PRESCRIPTION

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

27. NOTICES AND PRESS RELEASES

27.1 Notices

- (a) Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD. Any such notice or communication will be deemed to be given or made via the CSD when sent from the CSD.
- (b) Unless otherwise specifically provided, any notice or other communication to be made under or in connection with the Finance Documents:

- (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
 - (ii) if to the Issuer, shall be given at the address registered with the commercial register (Ge. *Handelsregister*) of the local court (Ge. *Amtsgericht*) of Frankfurt am Main, Germany (or any other commercial register (Ge. *Handelsregister*) at the relevant local court (Ge. *Amtsgericht*) the Issuer is registered with) on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, pursuant to paragraph (a) above. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (c) Unless otherwise specifically provided, any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
- (i) in case of courier or personal delivery, when it has been left at the address specified in paragraph (b) above;
 - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in paragraph (b) above; or
 - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (d) Any notice which shall be provided to the Bondholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:
- (i) a cover letter, which shall include:
 - (A) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
 - (B) details of where Bondholders can retrieve additional information;
 - (C) contact details to the Agent; and
 - (D) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
 - (ii) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents.
- (e) 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.

27.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*) and/or Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*), 16(p), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to paragraph (a) above, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

28. FORCE MAJEURE AND LIMITATION OF LIABILITY

- (a) None of the Agent, the Security Agent or the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- (b) The Paying Agent shall have no liability to the Bondholders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

29. GOVERNING LAW AND JURISDICTION

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

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