



Akademibokhandeln Holding AB (publ)

relating to the listing of

up to a maximum SEK 700,000,000 Senior Secured Floating Rate
Bonds due 2021
ISIN: SE0009690084

Issuing Agent and Sole Bookrunner

Pareto Securities

Prospectus dated 5 May 2017

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Akademibokhandeln Holding AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries (including the Guarantor (as defined below) unless otherwise indicated by the context, "**Akademibokhandeln**" or the "**Group**")), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Box 2100, 103 13 Stockholm, with reg. no. 559101-0938, in relation to the application for the listing of the senior secured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ Stockholm Aktieföretag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB has acted as sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**" or the "**Issuing Agent**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (akademibokhandelnholding.se).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 41 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus.

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

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

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

The offering is not made to individuals domiciled in Canada, Australia, Hong Kong, Italy, New Zealand, the Republic of South Africa, Japan, the Republic of Cyprus, the United Kingdom or the United States (or to any U.S. person (as defined in Rule 902 of Regulation S under the Securities Act)), or to any other jurisdiction in which such distribution would be unlawful, except as set forth herein and pursuant to appropriate exemptions under the laws of any such jurisdiction.

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

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

TABLE OF CONTENTS

RISK FACTORS	4
THE BONDS IN BRIEF	15
STATEMENT OF RESPONSIBILITY	20
DESCRIPTION OF MATERIAL AGREEMENTS	21
DESCRIPTION OF THE GROUP	22
MANAGEMENT	28
HISTORICAL FINANCIAL INFORMATION	33
OTHER INFORMATION	35
TERMS AND CONDITIONS OF THE BONDS	38
ADDRESSES	75

RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Group. These risk factors include, but are not limited to, financial risks, technical risks, risks related to the business operations of the Group, environmental risks and regulatory risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition 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 repayment of the principal amount and payment of interest) under the Bonds. Other risks not presently known to the Group and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Prospective investors should consider carefully the information contained herein and make an independent evaluation before making an investment decision.

The risk factors below contains various forward-looking statements, including statements regarding the intent, opinion, belief or current expectations of the Group or its management with respect to, among other things, (i) the Group's target market, (ii) evaluation of the Group's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements.

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

Group and market specific risks

Consumer behaviour

The sales of the Group's products are dependent upon the buying power, purchase patterns and reading behaviour of its end consumers. Changes in customers' strategies or purchasing patterns may adversely affect the Group's net sales. The willingness of consumers to purchase the Group's products may decrease due to external factors, such as a general downturn in the economy, which affect the consumers buying power or purchase patterns. If the willingness of end consumers to buy the Group's products decreases, it will have an adverse effect on the Group's sales, earnings and financial position. Further, developments in the retail market for books and in the market for e-commerce can affect the demand for the Group's products. The Group's possibility to compete depends upon the Group's ability to anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Group's business, earnings or financial position.

Digitalisation

The Group's business and products are impacted by the general digitalisation whereby physical formats of books may be replaced or complemented by digital formats such as audiobooks and e-books and the migration from physical stores to online stores. If the Group is not able to adapt to the digitalisation, it will have an adverse effect on the Group's sales, earnings and financial position.

Suppliers

The Group does not produce its own products, instead the Group's ability to service its customers depends on the availability and timely supply of products from suppliers. Inability to maintain a logistic network for deliveries or other problems in supplies, such as delays, may have adverse consequences

for customer relations, etc., resulting in an adverse effect on the Group's net sales, earnings and financial position.

Further, the Group has a few number of significant suppliers which the Group is highly dependent on. Most of these agreements are entered into with short maturities. If any of these suppliers would terminate its contract or materially change the key terms such as terms of credit (days payable), right to return unsold books and pricing in such contracts with the Group, the Group's business, financial condition and results of operations would be adversely affected.

Leasing agreements of physical stores/premises

The Group does not own any property, instead it leases all its premises. The Group's business is dependent on that it gets access to attractive store locations. There is a risk that the Group is not able to find suitable premises at competitive prices and terms, which can adversely affect the Group's possibility to increase the sales. In addition, external factors such as market conditions and consumer demand affect the prices for leasing, and as a result the Groups' lessors may seek to raise the rents on the leasing premises. If the Group is unable to pass any such increase in rental expenditures further on to its customers, or if the Group cannot increase sales volumes to offset rising purchasing costs, the Group's business, financial condition and results of operations would be adversely affected.

Ability to adjust prices

The Group is exposed to the risk of prices being increased or that discounts are decreased by its suppliers. If the Group is unable to pass any such increase in purchasing costs further on to its customers, or if the Group cannot increase sales volumes to offset rising purchasing costs, the Group's business, financial condition and results of operations would be adversely affected.

Seasonal variations and variations in working capital

The Group is exposed to seasonal variations, mainly due to the increase in sales related to the Christmas holidays, the annual book sale and the school start. Thus, the Group's net sales generally experience a significant upsurge during the fourth quarter. These seasonal variations are, to some extent, beyond the Group's control and can significantly affect the Group's operations, resulting in adverse effects on the Group's business, earnings and financial position.

During the rest of the year the Group's revenues are not as significant, therefore the Group's working capital gradually decreases before it starts to increase during the fourth quarter. The Group's working capital needs to be sufficient in order to handle the periods of decreased sales (normally during June-September). The Group's current working capital facility is subject to certain changes to fit with the terms of the Bonds and such changes are expected to be agreed shortly. Should the Group stand without a working capital facility there is a risk that the Group may not be able to finance its need of working capital which could adversely affect the Group's business, earnings and financial position.

Reduced VAT for digital books

A reduced VAT rate for digital books, from 25 per cent. to 6 per cent., has been discussed by politicians. There is a risk that such reduced VAT rate will lead to reduced prices for books, benefiting certain of the Group's competitors which will have an adverse effect on the Group's operations, earnings and financial position.

Negative publicity

The Group relies on its brands to maintain and attract new customers and employees. Any negative publicity or announcement relating to the Group may, whether or not it is justifiable, deteriorate the brand value and have a negative effect on net sales, earnings and financial position.

Key personnel

The Group is dependent upon a number of key employees whom develop and design the Group's own brands and whom have together developed the efficient day-to-day operations and systems within the Group. If such key personnel leave the Group in the future, or take up employment with a competing business, it could have a negative effect on the Group's operations, earnings and financial position. There is also a risk that the Group cannot recruit new, qualified personnel to the extent that it wishes.

Risks relating to inadequate insurance

The Group is exposed to the risk of damage to its property and/or the goods sold by the Group, for instance due to fire, water damage, natural disasters and other similar events, the realisation of which risk could materially affect the Group's ability to conduct its business. Hence, the Group must ensure that it has adequate insurance coverage to protect itself against such risks. However, certain types of losses will not be covered by the Group's insurances. Hence, there is a risk that the Group will be required to pay for any losses, damages and liabilities leading to adverse effects on the Group's business, earnings or financial position.

Borrowings by the Group

Together with the indebtedness incurred under the Bonds the Group will have the ability to incur indebtedness under the working capital facility. In addition the Group may in compliance with the limits set out in the Terms and Conditions for the Bonds incur further financial indebtedness to finance its business operations. Such financing may result in interest costs which may be higher than the returns gained by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Interests on the Group's borrowings from time to time are subject to fluctuations in the applicable interest rates. Higher interest rates could affect Group's operations, earnings and financial position.

Intellectual property rights

The Group is actively working to protect their brands, names and domain names in the jurisdictions in which the Group operates. If the Group's protection of its trademarks and names is not sufficient or if the Group does infringe third party intellectual property rights, this may result in an adverse effect on the Group's net sales, earnings and financial position. The group company Bokus AB has tried to register a trademark in relation to sales of games and toys as well as education, reading-promotion and cultural activities, but was denied by the relevant Swedish authority due to an opposition to the registration filed by a French company. Although the Group's strategy is that Bokus AB shall only focus on sales of books, there is a risk that Bokus AB will infringe on the other company's rights under its trademark. Further, there is a risk that competitors or other third parties unlawfully seek to use or infringe the Group's intellectual property rights. In addition, there is a risk that a third party assert, and acquire, better rights to intellectual property rights used by the Group. There is a risk that such actions result in disputes regarding the relevant intellectual property rights, resulting in adverse effects on the Group's business, financial position or results of operations.

Risks related to acquisitions

From time to time, the Group may evaluate potential acquisitions that are in line with the Group's strategic objectives. Such acquisitions have, and may in the future, result in an obligation to pay additional purchase price to the seller, possibly affecting the financial position of the Group. Acquisition activities may present certain financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which may not achieve sales levels and profitability that justify the investments made. If acquisitions are not successfully integrated, the Group's business, financial condition and results of operations may be

adversely affected. Future acquisitions could also result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which could harm the Group's financial condition or results of operations.

Risks related to IT infrastructure

The Group depends on information technology to manage critical business processes, including administrative functions. The Group uses IT systems for internal purposes and externally in relation to its suppliers and customers. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of information technology systems are possible and could have a negative impact on the Group's operations. Failure of the Group's information technology systems could cause transaction errors and loss of customers as well as sales, and could have negative consequences for the Group, its employees, and those with whom the Group does business.

Taxes and charges

The Group conducts its business in accordance with its interpretation of applicable tax regulations and applicable requirements and decisions. It is possible that the Group or its advisers' interpretation and application of laws, provisions and judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which could have a negative effect on the Group's earnings and financial position.

Ability to comply with the Terms and Conditions

The Group is required to comply with the Terms and Conditions, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in the Issuer has to repay the bondholders at the applicable call premium. There is a risk that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Ability to service debt

The Group's ability to service its debt will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, 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. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. The aforementioned applies to both long-term and current liabilities and therefore, both the solidity as the liquidity may be affected in this respect.

Dependency on the financial health of customers

The Group's customers may face financial or other difficulties which may impact their operations and cause them to cancel or reduce their level of purchases from the Group, which could adversely affect the Group's results of operations. Customers may also respond to any price increase that the Group may implement by reducing their purchases from the Group, resulting in reduced net sales. If net sales of the Group's products are reduced, such reduction may have a material adverse effect on the Group's business, financial condition and results of operations. Any bankruptcy or other business disruption involving one of the Group's customers or franchisees could also materially and adversely affect the Group's business, financial condition and results of operations.

Dependency on other companies within the Group

The Issuer is a holding company and holds no significant assets other than investments in its subsidiaries. Thus, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. 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. A decrease in any such income and cash flow may have a material adverse effect on the Group's financial condition.

Equity

If the Group should have net losses it may impact the Group's solidity which could affect the Group's reputation among suppliers as well as the Group's ability to raise financing and make new investments. This could have a negative effect on the Group's operations, earnings and financial position.

Legal disputes

Claims or legal action may in the future be taken against the Group which may have significant unfavorable effects on the Group's financial position, performance, and market position, or pricing of the Bonds. The risk of claims or legal action also relates to intellectual property rights, such as patents and trademarks, and the Group normally assumes liability for any infringement of third party intellectual property rights in relation to its customers.

Global economic conditions

A lengthy economic downturn, a sustained loss of end consumer's purchasing power, or other problems relating to the Group's customers, could trigger a decrease in demand for the Group's products and a decline in sales for the industry as well as the Group companies. This could have an adverse impact on the Group's net sales, financial position and earnings.

Changes in legislation

A number of legislations and regulations, competition regulations, and environmental regulations, taxes and rules can affect the business conducted by the Group. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales, which could have an adverse effect on the Group's business and results of business operations.

In May 2018 a new General Data Protection Regulation ("**GDPR**") issued by the EU will enter into force. The implementation of a new system for personal data processing and actions needed to ensure compliance with the GDPR may involve certain costs for the Group.

The implementation of a new system for personal data processing is important as data processing in breach of the GDPR could result in fines amounting to a maximum of EUR 20,000,000 or 4 per cent. of the Group's global turnover. If the Group fails to comply with the new GDPR this may have a negative impact on the Group's business and financial position.

Competitive landscape

The Group has a number of competitors across different product categories, segments and geographic markets. It is possible that these competitors will grow to be stronger in the future, for example, by means of further consolidation in the market. The Group may not be able to compete successfully against current as well as future competitors, which may have a negative effect on the Group's operations, earnings and financial position.

Competition authorities

In the future, the Group could be subject to investigations by competition authorities. If such investigations are initiated, this could have an adverse effect on the business carried out by the Group.

Risks relating to the Bonds and the Security Structure**Credit risks**

Investors in the Bonds carry a credit risk relating to the Group. Investors' ability to receive payment under the Terms and Conditions is therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

Refinancing risk

There is a risk that the Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that the Issuer's access to financing sources will not be available on favorable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favorable terms, or at all, it would have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Liquidity risks and secondary market

Pursuant to the Terms and Conditions the Issuer must use its best effort to list the Bonds on the corporate bond list of Nasdaq Stockholm within 30 calendar days from the Issue Date, and there is an obligation list the Bonds on the corporate bond list of Nasdaq Stockholm no later than 60 calendar days from the Issue Date. 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 Stockholm. 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.

Secured obligations

The Bonds constitute direct, unconditional, secured and unsubordinated obligations of the Issuer. This means that in the event of bankruptcy, re-organization or winding-up of the Issuer, the bondholders normally receive payment after any priority creditors have been fully paid to the extent that the bondholders' claim is not secured by the transaction security for the Bonds.

The market price of the Bonds may be volatile

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, as well as other factors. In addition, the global financial markets have experienced significant price and volume fluctuations in recent years, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, 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.

Risks relating to the transaction security

Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders, the provider of the working capital facility and certain other creditors (jointly the "**Secured Creditors**") will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues additional Bonds, the security position of the current bondholders may be impaired.

The bondholders will be represented by a security agent in all matters relating to the transaction security (the "**Security Agent**"). The Security Agent will take enforcement instructions primarily from the agent representing the bondholders (the "**Agent**"). However, if the Agent wishes to enforce the security, the Agent must first consult with the other Secured Creditors (in the event there is no agreement on the proposed enforcement action) for a period of 30 days after which the Agent may instruct the Security Agent to take such action. The other Secured Creditors may thus delay enforcement which the bondholders believe is necessary. Furthermore, the Security Agent may act in a manner that the bondholders believe is to their detriment. In some situations (e.g. where another Secured Creditor has requested enforcement action to be taken but the bondholders have not provided any enforcement instruction to the Security Agent within three months after the end of the consultation period, or where enforcement action requested by the bondholders has not resulted in any enforcement proceeds being made available to the Security Agent), the other Secured Creditors may give enforcement instructions to the Security Agent.

The bondholders and the other Secured Creditors will be represented by 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. The transaction security is subject to certain hardening periods during which times the Secured Creditors do not fully, or at all, benefit from the transaction security.

Subject to the Terms and Conditions, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among others, the bondholders' rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the bondholders, it cannot be guaranteed that actions will not be taken that may be considered to be detrimental in the view of some or all of the bondholders.

The Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among others, the bondholders' rights to the security.

Risks relating to release of transaction security

The Security Agent may at any time (without the prior consent of the bondholders), acting on instructions of the provider of the working capital facility, release the transaction security and guarantees in accordance with the terms of the Intercreditor Agreement. Although the transaction security shall be released pro rata between the Secured Creditors and continue to rank pari passu between the Secured Creditors, such release will impair the security interest and the secured position of the bondholders, especially since the enforcement proceeds from the remaining transaction security are not distributed equally between the Secured Creditors.

Risks relating to enforcement of the transaction security

If a subsidiary whose shares are pledged in favor of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares in the subsidiary 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 full or any value in the case of an enforcement sale of such pledged shares. In addition, the value of the shares subject to the pledge may decline over time.

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 remaining assets (if any) of the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

Structural subordination and insolvency of subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and law restriction. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Security over assets granted to third parties

The Group may, subject to limitations, incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the bondholders.

Corporate benefit limitations in providing security and guarantees for third parties

If a limited liability company guarantees or provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of the guarantee or 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 dividend to its shareholders at the time the guarantee or the security was provided. If no corporate benefit is derived from the provided guarantee or security, such guarantee or security will be limited in validity as aforesaid. Consequently, the security granted by a subsidiary of the Issuer could be limited in accordance with the aforesaid which could have an adverse effect on the bondholders' security position.

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. 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 make the required redemption of Bonds.

Currency risks

The Bonds will be denominated and payable in SEK. If bondholders in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors 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 investors when the return on the Bonds is translated into the currency by reference to which the investors 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 investors may receive less interest or principal than expected, or no interest or principal.

Majority owner

Following any potential change of control in the Issuer, the Issuer may be controlled by 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 its 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 (put options) if (i) any person or group of persons, not being the majority shareholder (or an affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and (ii) such change of control event is not waived by the bondholders at a bondholders meeting, where such waiver requires consent from bondholders holding Bonds representing a majority of the nominal amount of the Bonds represented at the meeting. 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.

No action against the Issuer and bondholders' representation

In accordance with the terms and conditions for the Bonds, 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 for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

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

Bondholders' meetings

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

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the bondholders.

Risks relating to the clearing and settlement in Euroclear Sweden AB's book-entry system

The Bonds will be affiliated to Euroclear Sweden AB's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear Sweden AB's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear Sweden AB's account-based system and any problems thereof could have an adverse effect on the payment of interest and repayment of principal under the Bonds.

Amended or new legislation

This document is and the Terms and Conditions will be based on Swedish law in force at the date of issuance of the Bonds. There is a risk that amended or new legislation (e.g. GDPR or legislation related to tax regulations) and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Conflict of interests

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

THE BONDS IN BRIEF

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

Issuer	Akademibokhandeln Holding AB (publ).
The aggregate amount of the Bonds	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 700,000,000. The Issuer may choose not to issue the full amount of Bonds on an issue date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an initial amount of Bonds of SEK 500,000,000 was issued on 10 March 2017.
Number of Bonds	Maximum 700.
ISIN	SE0009690084.
Issue Date	10 March 2017.
Issue Price	100 per cent.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three month STIBOR plus 6.00 per cent. per annum.
Interest Payment Dates	10 March, 10 June, 10 September and 10 December of each year commencing on 10 June 2017. Interest will accrue from (but excluding) the Issue Date.
Nominal Amount	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
Status of the Bonds	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- will at all times rank *pari passu* with the Working Capital Facility pursuant to the terms of the Intercreditor Agreement (if any), but will receive proceeds from the enforcement of the Transaction Security and certain distressed disposals only after any obligations secured on a

super priority basis, including the Working Capital Facility have been repaid in full;

- will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law;
- are guaranteed by the Guarantor (as defined below);
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that is not a Guarantor (as defined below), including obligations to trade creditors.

Guarantee The Issuer's obligations under the Bonds are jointly and severally guaranteed (the "**Guarantee**") by Akademibokhandelsgruppen AB (the "**Guarantor**").

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

Ranking of the Guarantee.... The Guarantee of the Guarantor is a general obligation of the Guarantor and:

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

The Guarantees are subject to certain limitations under local law and terms of the Intercreditor Agreement (if any).

- Security** The Bonds, together with obligations under the Working Capital Facility (if the working capital facility provider has entered into the Intercreditor Agreement), are secured by security interests granted on an equal and rateable first-priority basis over the share capital of Akademibokhandelsgruppen AB and other assets of the Group. See the definition of "Security Documents" in Clause 1.1 (Definitions) of the Terms and Conditions.
- Call Option.....** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.5 (*Voluntary Total Redemption (call option)*) of the Terms and Conditions.
- Voluntary prepayment** The Issuer may on one occasion each calendar year, make partial repayments of Bonds in an amount corresponding to a maximum of five (5) per cent. of the aggregate Nominal Amount as of the First Issue Date in accordance with Clause 9.3 (*Voluntary prepayment*) of the Terms and Conditions.
- Call Option Amount** Call Option Amount means:
- (a) 103.00 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 24 months after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date;
 - (b) 102.25 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the date falling 36 months after the First Issue Date;
 - (c) 101.50 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 36 months after the First Issue Date to, but not including, the date falling 42 months after the First Issue Date; and
 - (d) 100.75 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is

exercised on or after the date falling 42 months after the First Issue Date to, and including, the Final Redemption Date.

Equity Claw Back	The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the total Nominal Amount in accordance with Clause 9.4 (<i>Equity Claw Back</i>) of the Terms and Conditions
First Call Date	Means the date falling 24 months after the First Issue Date.
Final Redemption Date	10 March 2021.
Change of Control Event ...	The occurrence of an event or series of events whereby (one or more persons, not being the Majority Shareholder (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.
Certain Covenants	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • restrictions on making any changes to the nature of their business; • a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions); • restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and • limitations on the making of distributions and disposal of assets. <p>The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt and make certain distributions.</p> <p>Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.</p>
Use of Proceeds	The purpose of the Bond Issue is to (i) refinance Existing Debt, to the extent required, (ii) finance the Extraordinary Distribution, and (iii) finance general corporate purposes.

Transfer Restrictions	<p>The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.</p> <p>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</p>
Listing.....	Application has been made to list the Bonds on Nasdaq Stockholm.
Security Agent	Nordic Trustee & Agency AB (publ).
Issuing Agent	Pareto Securities AB.
Governing Law of the Bonds	Swedish law.
Governing Law of the Guarantee Agreement.....	Swedish law.
Risk Factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 24 February 2017, and was subsequently issued by the Issuer on 10 March 2017. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The board of directors of the Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

5 May 2017

Akademibokhandeln Holding AB (publ)

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

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

Working Capital Financing

Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB) has terminated the Group's credit facilities, including a working capital facility amounting to SEK 50,000,000 which was entered into with Nordea. However, the Group is currently in negotiations regarding a new working capital facility for the Group.

Guarantee Agreement

The Guarantor has entered into a guarantee agreement with the Security Agent dated 10 March 2017 (the "**Guarantee Agreement**"), pursuant to which the Guarantor has agreed to jointly and severally guarantee the Group's obligations as follows:

- the full and punctual payment and performance of all Secured Obligations, including the payment of principal and interest under the Senior Finance Documents (as defined in the Guarantee Agreement), when due, whether at maturity, by acceleration by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer to the Secured Parties under the Senior Finance Documents.
- to indemnify each Secured Party against any loss incurred by such Secured Party arising out of the non-payment, invalidity or unenforceability of the Secured Obligations, in each case, all in accordance with the Senior Finance Documents; and
- the Secured Obligations may be extended or renewed or refinanced, in whole or in part, without notice or further assent from the Guarantor and that the Guarantor will remain bound under the Guarantee Agreement notwithstanding any extension or renewal or refinancing of any Secured Obligation.

The Guarantee is subject to the Senior Finance Documents and certain limitations imposed by local law requirements in certain jurisdictions.

The Intercreditor Agreement

An intercreditor agreement may be entered into if requested by the Issuer, to be based on the terms set out in the intercreditor term sheet attached as Schedule 1 in the final term sheet for the Bonds dated 1 March 2017, between amongst other, the Issuer, the Working Capital Facility Provider, the Guarantor, any creditor under the Shareholder Loans, the Trustee as Security Agent and agent under the Terms and Conditions for the Bonds. When the Intercreditor Agreement has been entered into it will provide for (i) complete subordination of Shareholder Loans, and (ii) super senior ranking of the Working Capital Facility in relation to the senior ranking Bonds. The super senior ranking provides for sharing of the same security package as the Bonds but with waterfall priority to any enforcement proceeds. The Bondholders will upon enforcement actions being taken have the first right to instruct the Security Agent to take enforcement actions. In case of absence of enforcement actions for more than 3 months the instruction right will shift to the Working Capital Facility provider for a period of 3 months.

DESCRIPTION OF THE GROUP¹

History and development

A brief description of the Group's history and development is accounted for below.

1971	▪ Akademibokhandeln is founded at the Stockholm University.
1977	▪ Launch of the flagship store at Mäster Samuelsgatan.
1992	▪ KF (Kooperativa Förbundet) becomes the owner.
1995	▪ All existing bookstores are rebranded "Akademibokhandeln".
1997	▪ Bokus AB is founded and a year later sold to KF.
1997-2012	▪ The Group experiences several years of poor financial performance mainly due to online sales growth (Bokus AB and Adlibris AB pioneering the Swedish e-commerce market for book products) and unsuccessful internal business initiatives (centralised warehouse and IT-systems).
2013	▪ Merger with Bokia AB and an extensive restructuring program is initiated for the Group.
2014	▪ Acquisition of online book store Bokus. Profitability restored.
2015	▪ An offensive business development strategy is launched; Accent Equity 2012 L.P. becomes the new majority owner and the Group's loyalty club is launched.
2016	▪ Omni-channel offering is launched, connecting physical stores with e-commerce services. Increased focus on non-books and new Bokus site.

Akademibokhandeln Holding AB (publ), the Issuer, was incorporated on 17 February 2017 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 559101-0938. The registered office of the Company is Box 2100, 103 13, Stockholm and the Company's headquarters is located at Lindhagensgatan 74, 112 18, Stockholm, with telephone number +46 10 744 10 57. The Issuer acquired the shares in Akademibokhandelsgruppen AB from its current owners on 10 March 2017 (which was not an acquisition as part of a business combination but was part of an internal re-organisation) in connection with the issuance of the Bonds (the "**Re-Organisation**").

Akademibokhandelsgruppen AB, the Guarantor, was incorporated on 27 April 2015 and is a Swedish limited liability company operating under the laws of Sweden with reg. no. 559013-5033. The registered office of the Guarantor is Box 2100, 103 13, Stockholm and the Guarantor's headquarters is located at Lindhagensgatan 74, 112 18, Stockholm, with telephone number +46 10 744 10 57.

In accordance with the articles of association of the Company, adopted on 9 March 2017, the objects of the Company are to own and manage real and movable property and, where appropriate, conduct administrative and consolidated functions for its subsidiaries and engage in other activities related thereto.

The Group operates a bookstore chain called Akademibokhandeln and Bokus. The Group's business is not present in any other country than Sweden.

¹ The financial information provided in this section is based on internal accounts of the Group.

Business and operations

Introduction

Founded in the 1970's, the Group operates through its two brands, Akademibokhandeln and Bokus. Its current form is the result of a merger with Bokia AB in 2013, and the acquisition of Bokus AB in 2014, transactions that were realised to handle several years of poor financial performance due to some tough years for the book industry and unsuccessful internal business initiatives. Since then the Group's business has been reshaped and large synergies have been realised.

Akademibokhandeln – business overview

Akademibokhandeln's stores have 18.6 million visitors. In 2016 the average receipt amounted to SEK 159.4 (up from SEK 156.7 in 2015).

Akademibokhandeln distributes its products through own stores, franchise stores and, since recently, e commerce (akademibokhandeln.se). Total sales in 2016 amounted to MSEK 1.213, with book products representing 72 per cent. of sales and non-book products, such as office supplies, gifts, toys, etc., representing the remaining 28 per cent.

Own stores sales represent approximately 97 per cent. of Akademibokhandeln's sales. The remaining 3 per cent. consist of franchise sales 0.8 per cent.; E-handel AKB 0.2 per cent.; and Coop sales 1.9 per cent.). The franchise business generates revenues through the franchise fee (a percentage of store sales).

Bokus – business overview

Bokus.com offers online shopping for book products in various genres. The products include books, paperbacks, audio-books and e-books. Bokus distributes all products through an outsourced cross-docking supplier and has very limited inventory. Bokus is highly integrated with Akademibokhandeln, having the same management in order to, in as large extent as possible, take advantage of group know-how and resources.

Since 2014, Bokus has increased sales by 10.7 per cent. amounting MSEK 567.4 in 2016. The number of annual visitors has increased by 12.9 per cent. and the conversion rate is currently stable around 5.3 per cent. The average receipt amounted to SEK 360 for 2016 which is significantly higher than for Akademibokhandeln due to a higher share of sales to students and business to business customers.

Bokus' majors cost items consist of personnel expenses, logistic expenses and marketing expenses. Bokus' IT and e-commerce platform is principally operated in-house.

Bokus works with SEO, affiliate sites and traditional marketing to drive sales and increase visitors. In 2016 a mobile friendly site for smartphones and other electronic devices was developed with the aim to increase usage of the sales channel while increasing exposure through various search browsers such as Google.

Within the Bokus Group there is a separate website called Dito, focusing on online shopping of audio books and e-books. In 2017 this website will be consolidated with bokus.com and its products directly distributed by Bokus.

Store network

Own stores

The Group has 108 stores spread across Sweden of which 80 are operated by the Group and 28 are franchise stores paying a fee to the Group. The stores are leased with traditional store lease agreements, i.e. short term agreements to allow flexibility and the Group's policy to have no lease agreements longer than 3-5 years.



During the last four years the Group has closed unprofitable stores which have strengthened the Group's results. Sales per store have increased amounting to MSEK 15 on average in 2016. The Group currently has no plans to close any of its remaining 80 stores and new stores are considered if attractive locations become available. The Group has recently entered into a contract for the opening of a store in Mölndal in 2018.

Over the coming years, several stores will be re-equipped, refurbished and tested as pilots for an enhanced store concept.

Franchise stores

The 28 franchise stores pay a franchise fee (a percentage of sales). Franchise stores are considered important to realise buying synergies and a national presence of the Akademibokhandeln brand. However, due to risk of cannibalisation in own stores', sales is always considered prior to granting a franchise agreement. Regular reviews are conducted by a dedicated franchise resource.

In 2016 a new franchise agreement for 2017-2019 was agreed, developed to motivate franchisees and to ensure a more homogenous customer experience of the Akademibokhandeln brand.

Suppliers and customers

Suppliers

The Group's main suppliers are the following:

- Books: Bonnier AB and Norstedts Förlagsgrupp AB
- Non-books: Emo/Staples, Pictura and BNT
- Others: landlords, a logistic service provide (Förlagssystem AB), transport companies and an article information provider.

Most of the Group's agreements with suppliers have relatively short terms.

In relation to publishers and book suppliers, the Group has been able to obtain favourable discounts, payment terms, and a right to return unsold books. Akademibokhandeln typically has 60 days to pay its invoices and suppliers invoice Akademibokhandeln upon delivery. Bokus typically has 30 days to pay its invoices and as Bokus operates without any inventory, publishers invoice Bokus once an order is received and the book is delivered.

Within the Group, only Akademibokhandeln possesses the right to return unsold books. Limits in terms of amounts to be returned are dependent on the importance of the retailer which allows the Group to share the risk of obsolescence with publishers. As regards non-book products the Group deems that there is a limited risk of obsolescence given the nature of products, i.e. pens, note books, gift cards, games etc. Thus, the right to return unsold items only applies for a few non-book products, e.g. calendars and note books.

Customers

The vast majority of Akademibokhandeln's customers are consumers and the brand aims to be a premium book store for the entire family. Fiction, representing 64 per cent. of book sales, is the largest genre and books directed to children and youth is most important customer. Non-fiction represents 36 per cent. of book sales and includes books about, cooking, training, music, etc.

B2C-Private is the largest customer group for Bokus, representing 61 per cent. of all sales in 2016. However, in In 2016, B2C – Student increased by 8.6 per cent. from the previous year, largely because of a successful campaign before the university start when Bokus achieved an all-time high in average order value (AOV) for a single month.

Share capital and ownership structure

The shares of the Issuer are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 8,000,000 divided into 8,000,000 shares.

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

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Accentten 2012 Holding Limited	5,724,000	71.55 %	71.55 %
Stiftelsen Bokförlaget Natur och Kultur	888,000	11.1 %	11.1 %
J.P. Killberg & Son Bokhandelsaktiebolag	888,000	11.1 %	11.1 %
Maria Hamrefors	200,000	2.5 %	2.5 %
Jane Jangefeldt	80,000	1 %	1 %
Anita Jansson	40,000	0.5 %	0.5 %
Maria Edsman	40,000	0.5 %	0.5 %
Harold Op Het Veld	20,000	0.25 %	0.25 %
Ola Toresten	20,000	0.25 %	0.25 %
Michael Holm	10,000	0.0125 %	0.0125 %
Cecilia Helsing	10,000	0.0125 %	0.0125 %
Krasse & Co AB	80,000	1 %	1 %
Total	8,000,000	100.00 %	100.00 %

Major shareholder

Accentten 2012 Holding Limited ("Accent") – 71.55 per cent.

In 2014, Accent became the major shareholder in Akademibokhandelsgruppen AB and its subsidiaries (the "**Akademibokhandelsgruppen Group**"), by acquiring 71.55 per cent. of the shares in Akademibokhandelsgruppen AB. Accent is owned by the Accent Equity 2012 Fund which is an English Partnership.

Management shareholders – 5.1875 per cent.

Management shareholders include the following members of the Issuer's management:

- Maria Hamrefors, 2.5 per cent.
- Jane Jangefeldt, 1 per cent.
- Anita Jansson, 0.5 per cent.
- Maria Edsman, 0.5 per cent.
- Harold Op Het Veld, 0.25 per cent.
- Ola Toresten, 0.25 per cent.
- Michael Holm 0.0125 per cent.
- Cecilia Helsing, 0.0125 per cent.

Other shareholders

Other shareholders include the following entities:

- Stiftelsen Bokförlaget Natur och Kultur, 11.1 per cent.
- Krasse & Co AB, 1 per cent.
- J.P. Killberg & Son Bokhandelsaktiebolag, 11.1 per cent.

Shareholders' agreements

The shareholders of the Issuer have entered into a customary shareholders' agreement regarding the holding of shares in the Issuer. The shareholder agreement has been entered into in order to procure that the control of the company is not abused and regulates, inter alia, how the board should be composed, pre-emptions rights at transfer of shares, and also provides Accent with drag along rights to sell all shares in the Issuer to a third party.

Overview of Group structure

Currently, the Issuer has, directly and indirectly, three wholly-owned subsidiaries, the Guarantor, Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB) and Bokus AB.

Currently, the Guarantor has, directly and indirectly, two wholly owned subsidiaries, Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB) and Bokus AB.

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

Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's nor the Guarantor's solvency.

Significant change and trend information

There has been no material adverse change in the prospects of the Group since the date of (i) the publication of the last audited consolidated annual report for Akademibokhandelsgruppen Group and (ii) the Issuer's audited separate financial statements for the period 17 February 2017 to 31 March 2017, and no significant change in the financial or trading position of the Akademibokhandelsgruppen Group, the Guarantor nor the Issuer since the end of the last financial period for which such audited financial statements has been dated.

Legal and arbitration proceedings

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

Credit rating

No credit rating has been assigned to the Issuer or the Guarantor, or the Issuer's debt securities.

MANAGEMENT

The board of directors of the Issuer currently consists of five members and the board of directors of the Guarantor currently consists of three members all of which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer and the Guarantor at their headquarters at Lindhagensgatan 74, 112 18, Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors of the Issuer

Martin Tisell, chairman of the board since 23 February 2017.

Education: MBA from IMD, Lausanne and an MSc in Industrial Engineering and Management from Chalmers University of Technology.

Current commitments: Omotesando AB, deputy board member since 18 March 2003.
 Quartier Latin AB, board member since 18 March 2003.
 Corvara Group AB, board member since 6 July 2011.
 Quarterback Capital AB, board member since 22 September 2011.
 Cervera Group AB, chairman of the board since 17 April 2015.
 Akademibokhandelsgruppen AB, chairman of the board since 21 May 2015.
 Steni Group AS, board member since 5 July 2013 and chairman of the board since 19 June 2014.

Björn Krasse, board member since 23 February 2017.

Education: Combined MBA/MSc in Industrial economy from University of Linköping.

Current commitments: Krasse & Co Aktiebolag, board member since 28 February 1993.
 Exotic Snacks AB, board member since 1 February 2008.
 C Nordic Stores AB, board member since 6 May 2013 and chairman of the board since 2 January 2017.
 C Nordic Stores Holding AB, board member since 13 September 2013 and chairman of the board since 2 January 2017.
 C Sweden Stores AB, board member since 17 October 2013 and chairman of the board since 2 January 2017.
 Consida Rådgivning AB, board member since 10 November 2014.
 San Sac Group AB, board member since 3 November 2014.
 Cervera Group AB, board member since 17 April 2015.
 Akademibokhandelsgruppen AB, board member since 2 September 2015.

Håkan Söderbäck, board member since 23 February 2017.

Education: BSc in English and Social Sciences from Stockholm University and a BSc in Journalism and Communication from the Stockholm School of Journalism.

Current commitments: Fox Hill Capital Equity Partner AB, board member since 21 November 2006.
 Draghällan, Christer Sjödin Aktiebolag, chairman of the board since 9 September 1999.
 Accent Equity Partners Aktiebolag, board member since 17 September 2004.

Parc Blanche AB, board member since 22 September 2011.
 Designated Design AB, deputy board member since 10 April 2013.
 Rävbacken Holding AB, chairman of the board and CEO since 22 April 2015.
 Akademibokhandelsgruppen AB, board member since 21 May 2015.

Per Almgren, board member since 10 March 2017.

Education: MBA from Stockholm School of Economics.

Current commitments: Natur & Kultur Media i Stockholm AB, chairman of the board since 6 June 2012.
 Clio Den historiska bokklubben Aktiebolag, chairman of the board since 1 June 2015.
 Förlagssystem JAL, Aktiebolag, board member since 12 August 2014.
 Bokförlaget Atlantis Aktiebolag, chairman of the board since 21 December 2015.
 Svante Weyler Bokförlag AB, chairman of the board 14 January 2016.
 Akademibokhandelsgruppen AB, board member since 2 September 2015.
 Partners in Stories Stockholm AB, chairman of the board 22 April 2013.

Peter Killberg, board member since 10 March 2017.

Education: BSc from Stockholm School of Economics.

Current commitments: Killbergs Bokhandel AB, chairman of the board since 26 August 1993.
 J.P. Killberg & Son Bokhandelsaktiebolag, board member and CEO since 26 August 1993.
 Petrikander Aktiebolag, board member and CEO since 26 August 1993.
 Albatross Office Aktiebolag, board member and CEO since 14 April 1997.
 Akademibokhandelsgruppen AB, board member since 2 September 2015.

Board of directors of the Guarantor

Maria Hamrefors, chairman of the board since 9 March 2017.

Education: BSc from University of Gothenburg.

Current commitments: Vi Media AB, chairman of the board since 1 December 2010.
 Svenska Bokhandlareföreningens Service AB, board member since 9 October 2015.
 Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB), chairman of the board and CEO since 7 September 2015.
 Hamrefors Management AB, deputy board member since 1 September 1992.
 Bokus AB, chairman of the board and CEO since 27 August 2015.

Jane Jangenfält, board member since 9 March 2017.

Education: BSc from Stockholm University.

Current commitments: Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB), board member since 7 September 2015.

Bokus AB, board member since 27 August 2015.

Harold Op het Veld, board member since 9 March 2017.

Education: MBA from Stockholm School of Economics.

Current commitments: Bokhandelsgruppen i Sverige AB (formerly known as Akademibokhandeln AB), board member since 7 September 2015.
Bokus AB, board member since 27 August 2015.

Management of the Group

Maria Hamrefors, CEO of the Group

Maria Hamrefors joined the Group in January 2013. Maria has profound knowledge, with over 25 years experience, as CEO in media, retail and e-commerce. Maria has previously been president of Norstedts Förlagsgrupp AB and Liber AB.

Jane Jangefeldt, CFO of the Group

Jane Jangefeldt started her career as CFO of the Group in January 2013 and have been the CFO for the previous owner KF Media AB and Norstedts Förlagsgrupp AB.

Maria Edsman, Sales Director of Akademibokhandeln

Maria Edsman has an extensive knowledge base in retail management and has recently been the CEO of Brothers & Sisters and Polarn O. Pyret. Maria started her career as sales director of the Group in August 2014.

Ola Toresten, Sales Director of Bokus

Ola Toresten started his career in the Group as head of business development in May 2013. Ola's previous positions have included CIO for KF Media AB and as IT consultant for Softronic.

Harold Op het Veld, Purchasing and Supply Chain Director of the Group

Harold Op het Veld joined the Group in January 2013. Harold has a profound knowledge base in supply chain management with over 15 years of experience. Harold worked previously for KF Media AB as supply chain director.

Cecilia Helsing, Marketing Director of the Group

Cecilia Helsing has many years of experience with marketing and project management for retail companies, for example working at unUsual communication, Glitter International AB and Duka. Cecilia joined the Group in September 2010.

Michael Holm, CIO of the Group

Michael Holm joined the Group as CIO in March 2016. Michael has over 28 years of experience in IT. Recently he worked as CIO at Venue Retail Group.

Anita Jansson, HR Director of the Group

Anita Jansson joined the Group in January 2013. Prior to this Anita was HR Manager for KF Media AB and Norstedts Förlagsgrupp AB.

Conflicts of interest within administrative, management and control bodies

Neither the Issuer nor the Gurantor have any conflict of interest within the administrative, management and control bodies.

Interest of natural and legal persons involved in the issue

The Sole Bookrunner and/or its affiliates have engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Issuer, the Guarantor and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner and/or its affiliates having previously engaged, or engaging in future, in

transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2016 and the figures for the financial year ended 31 December 2015 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The Issuer will be the new reporting entity per next year as the new parent to Akademibokhandelsgruppen Group. The information incorporated by reference is to be read as part of this Prospectus.

The Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2015 has been prepared in accordance with K3. The Group's consolidated financial statements for the financial year ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

The separate financial statements for the Issuer for the period 17 February 2017 to 31 March 2017, including the auditors' report, are incorporated into this Prospectus by reference. The separate financial statements for the Issuer have been prepared in accordance with RFR 2, "Accounting for Legal Entities", issued by the Swedish Financial Reporting Board. In accordance with RFR 2, parent companies that issue consolidated financial statements according to International Financial Reporting Standards (IFRS), as endorsed by the European Union, shall present their financial statements in accordance with IFRS, to the extent these accounting principles comply with the Swedish Annual Accounts Act and may use exemptions from IFRS provided by RFR 2 due to Swedish accounting or tax legislation.

Other than the auditing of the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015 and the separate financial statements for the Issuer for the period 17 February 2017 to 31 March 2017, the auditors have not audited or reviewed any part of this Prospectus.

The Issuer's separate financial statements and audit report for the period 17 February 2017 to 31 March 2017 are incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 2;
- balance sheet, pages 3-4;
- consolidated statement of changes in equity, page 5;
- cash flow statement, page 6;
- notes, pages 7-9; and
- the audit report, pages 11-12.

The specific information set out below (as also stated in section "*Other information*" subheading "Documents incorporated by reference" in this Prospectus) from the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2016 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2016 is deemed to not be relevant for the purpose of the Prospectus Regulation.

- consolidated income statement, page 6;
- consolidated balance sheet, pages 7-8;

- consolidated cash flow statement, page 10;
- consolidated statement of changes in equity, page 9;
- the audit report, page 47-49; and
- notes, pages 16-45.

The specific information set out below (as also stated in section "*Other information*" subheading "Documents incorporated by reference" in this Prospectus) from the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2015 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2016.

- consolidated income statement, page 4;
- consolidated balance sheet, page 5-6;
- consolidated cash flow statement, page 7;
- the audit report, page 25; and
- notes, pages 12-23.

Factors affecting comparability of the historical financial information

The financial information for the financial year ended 31 December 2015 was prepared in accordance with K3 and covers the period 11 May 2015 to 31 December 2015. The Group has since then changed its accounting principles and the consolidated financial statements for the financial year ended 31 December 2016 was prepared in accordance with IFRS. The comparative historical financial information for the financial year ended 31 December 2015 has been retrospectively presented and prepared in accordance with IFRS and is presented together with the financial information for the financial year ended 31 December 2016. Since the financial year for 2015 and the financial year for 2016 cover different time periods, the historical financial information is not entirely comparable.

Auditing of the annual historical financial information

The separate financial statements for the Issuer for the period 17 February 2017 to 31 March 2017 and the Akademibokhandelsgruppen Group's consolidated financial statements as at present and for the years 2015 to 2016 have been audited, as applicable, by PricewaterhouseCoopers AB ("**PWC**"), 113 97, Stockholm. PWC has been the Akademibokhandelsgruppen Group's auditor since 2013 and has been the Issuer's auditor since 2017, and was re-elected for an additional year on the latest annual general meeting. Magnus Brändström is the auditor who is responsible for the Group's financial statements. Magnus Brändström is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden. The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

Age of the most recent financial information

The most recent financial information in respect of the Group has been taken from the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2016. The most recent financial information in respect of the Issuer has been taken from the Issuer's separate financial statement for the period 17 February 2017 to 31 March 2017.

OTHER INFORMATION

Assurance regarding the Prospectus

The Issuer is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an initial amount of SEK 500,000,000 on 10 March 2017 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum amount of SEK 200,000,000 (together with the initial Bonds in aggregate SEK 700,000,000). Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0009690084.

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

The Guarantor

Information with respect to the Guarantor is set out below. The Guarantor may be contacted through the address of the Company.

- Akademibokhandelsgruppen AB is a limited liability company incorporated in Sweden since 11 May 2015. It is registered with the Swedish Companies Registration Office, reg. no. 559013-5033. Its registered address is Box 2100, 103 13, Stockholm.

Material contracts

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

Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at www.akademibokhandelnholding.se/investerarinformation/:

- pages 6-10,16-45 and 47-49 from the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2016, including the audit report for the financial year ended 31 December 2016;
- pages 4-7, 12-23 and 25 from the the Akademibokhandelsgruppen Group's consolidated financial statements for the financial year ended 31 December 2015, including the audit report for the financial year ended 31 December 2015: and

- pages 2-9 and 11-12 from the separate financial statements for the Issuer for the period 17 February 2017 to 31 March 2017, including the auditors' report for the corresponding period.

Documents available for inspection

The following documents are available at the Company's headquarters at Lindhagensgatan 74, 112 18, Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Issuer and the Guarantor's articles of association;
- the Issuer and the Guarantor's certificate of registration;
- the Akademibokhandelsgruppen Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the Issuer's separate financial statements for the period 17 February 2017 to 31 March 2017, including the auditors' report for the corresponding period;
- Bokus AB's financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- Bokhandelsgruppen i Sverige AB's (formerly known as Akademibokhandeln AB) financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- this Prospectus; and
- the Guarantee Agreement.

The following documents are also available in electronic form on the Company's website at akademibokhandelnholding.se/investerarinformation/:

- the Akademibokhandelsgruppen Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the Issuer's separate financial statements for the period 17 February 2017 to 31 March 2017, including the auditors' report for the corresponding period;
- Bokus AB's financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- Bokhandelsgruppen i Sverige AB's (formerly known as Akademibokhandeln AB) financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- this Prospectus; and
- the Guarantee Agreement.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 360,000.

1. Definitions and Construction

1.1 Definitions

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

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

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

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

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

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

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

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

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

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

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

"**Call Option**" means the Issuer's right to redeem outstanding Bonds in full in accordance with Clause 9.5 (*Voluntary total redemption (call option)*).

"Call Option Amount" means:

- (a) 103.00 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 24 months after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date;
- (b) 102.25 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the date falling 36 months after the First Issue Date;
- (c) 101.50 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 36 months after the First Issue Date to, but not including, the date falling 42 months after the First Issue Date; and
- (d) 100.75 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 42 months after the First Issue Date to, and including, the Final Redemption Date.

"Cash and Cash Equivalent" means the cash and cash equivalents in accordance with the most recent Financial Report or financial update.

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

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

"Compliance Certificate" means a certificate, in the agreed form between the Trustee and the Issuer, signed by the Issuer (or the CEO or CFO of the Issuer) certifying satisfaction of the Incurrence Test (if relevant) and that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with the Incurrence Test, the certificate shall include calculations and figures in respect of the Incurrence Test (as applicable).

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business, provided that such items are not in excess of an amount equal to ten (10) per cent of EBITDA in the Reference Period;

- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Escrow Account" means a bank account of the Issuer, into which the Net Proceeds will be transferred and which has been pledged in favour of the Trustee and the Bondholders (represented by the Trustee) under the Escrow Account Pledge Agreement.

"Escrow Account Pledge Agreement" means the pledge agreement entered into between the Issuer and the Trustee on or about the 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 Trustee and the Bondholders (represented by the Trustee).

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

"Existing Debt" means the existing external debt of Akademibokhandelsgruppen AB of SEK 101,000,000 to be fully repaid with existing cash and/or Net Proceeds.

"Extraordinary Distribution" means the up to SEK 440,000,000 distribution to the Majority Shareholder and the minority shareholders, provided that an amount of up to SEK 50,000,000 out of such SEK 440,000,000 may be distributed up to 120 days following the First Issue Date after establishing a new Working Capital Facility of up to a corresponding amount, in case the current Working Capital Facility is cancelled.

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

"Final Redemption Date" means 10 March 2021 (4 years after the First Issue Date) at a price equal to the Nominal Amount.

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

"Finance Documents" means the Terms and Conditions, the Intercreditor Agreement (if any), the Guarantee Agreement, the Trustee Agreement, the Escrow Account Pledge Agreement, the Security Documents and any other document designated to be a Finance Document by the Issuer and the Trustee.

"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 lease or hire purchase contract which would, in accordance with the accounting principles applicable on the First Issue Date, be treated as a finance or capital lease;
- (c) receivables sold or discounted (other than receivables 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 items (a)-(f).

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

"Financial Report" means the Group's annual audited consolidated financial statements, half-year and quarterly interim unaudited reports of the Group, which shall be prepared and made available in accordance with 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 10 March 2017.

"Floating Rate Margin" means 6.00 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in Clause 25(a).

"Group" means the Issuer and its Subsidiaries from time to time, including the Target, and **"Group Company"** means each of the Issuer and its Subsidiaries.

"Guarantee Agreement" means the guarantee agreement entered into on or before the First Issue Date, between the Trustee and the Guarantor.

"Guarantee" means the guarantee provided by the Guarantor under the Guarantee Agreement.

"Guarantor": means Akademibokhandelsgruppen AB (559013-5033).

"Incurrence Test" has the meaning set forth in Clause 12.1 (*Incurrence Test*).

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

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

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

"Interest Payment Date" means 10 March, 10 June, 10 September and 10 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 10 June 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

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

"Interest Rate" means STIBOR (3 months) plus the Floating Rate Margin.

"Intercreditor Agreement" means the intercreditor agreement which may be entered into if requested by the Issuer, based on the terms set out in the intercreditor term sheet attached as Schedule 1 in the final term sheet for the Bonds dated 1 March 2017, after the First Issue Date, between, amongst others the Issuer, the Working Capital Facility Provider, the Guarantor, any creditor under the Shareholder Loans, the Trustee as Security Agent and agent under the Terms and Conditions for the Bonds.

"Issue Date" means the First Issue Date and any subsequent date when issuance of Subsequent Bonds takes place.

"Issuer" means Akademibokhandeln AKB AB (publ) (pending change of name from Goldcup 14403 AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559101-0938.

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

"Majority Shareholder" or **"Sponsor"** means Accentten 2012 Holding Limited or an Affiliate thereof or any replacement of Accentten 2012 Holding Ltd approved under these Terms and Conditions.

"Make Whole Amount" means the sum of:

- (a) the present value on the relevant record date of 103.00 per cent of the Outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and;
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus the applicable Floating Rate Margin), less any accrued but unpaid interest, through and including the First Call Date,

each calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) and where "relevant record date" shall mean a date agreed upon between the Trustee, the CSD and the Issuer in connection with such repayment.

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

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

"Material Group Company" means the Issuer or a subsidiary representing more than 10 per cent. of the EBITDA of the Group on a consolidated basis according to the latest Financial Report.

"Net Finance Charges" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment.

"Net Interest Bearing Debt" means the consolidated interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Loans and interest bearing debt borrowed from any Group Company).

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

"Nominal Amount" has the meaning set forth in Clause 2.1.1(c).

"Outstanding Nominal Amount" means The Nominal Amount less any repayments and amortisations made.

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (except for any Subsequent Bonds);
- (b) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group's business in a maximum amount of SEK 5,000,000;
- (c) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions and/or the Working Capital Facility, but not any transaction for investment or speculative purposes;
- (d) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions and/or the Working Capital Facility, but not any transaction for investment or speculative purposes;
- (e) incurred under Advance Purchase Agreements;
- (f) incurred under any Shareholder Loan;
- (g) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a pro forma basis, or (ii) ranks pari passu or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) meets the Incurrence Test on a pro forma basis (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case (B) and (C) which occur after the Final Redemption Date;
- (h) incurred by any member of the Group under the Working Capital Facility;
- (i) taken up from a Group Company;
- (j) 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;

- (k) any pension liabilities;
- (l) until repaid in full, the Existing Debt and the Extraordinary Distributions;
- (m) any liability under any lease arrangement for premises reported as debt under IFRS 16; and
- (n) any other Financial Indebtedness incurred by the Issuer not in aggregate exceeding SEK 5,000,000.

"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) provided in relation to any lease agreement entered into by the Group;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements; and
- (e) provided pursuant to items (c), (d), (h), (j) and (l) of the definition of Permitted Debt.

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

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

"Reference Banks" means Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

"Reference Period" means each period of twelve (12) consecutive calendar months.

"Regulated Market" means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents, the Working Capital Finance Documents (if the Working Capital Facility Provider has entered into the Intercreditor Agreement) and the Trustee Agreement.

"Secured Parties" means the Security Agent, the Bondholders, the Working Capital Facility Provider (if the Working Capital Facility Provider has entered into the Intercreditor Agreement) and the Trustee (including in its capacity as Trustee under the Trustee Agreement).

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

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

"Security Agent" means Nordic Trustee & Agency AB (publ), holding the Transaction Security on behalf of the Secured Parties.

"Security Documents" means:

- (a) the share pledge agreement in respect of all shares in Akademibokhandelsgruppen AB (Reg. No. 559013-5033); and
- (b) the pledge agreements over any current and future downstream loans provided from the Issuer to the Target.

"Shareholder Loans" means any shareholder loan to the Issuer as the debtor, if such shareholder loan (a) according to its terms, are subordinated to the obligations of the Issuer under the Terms and Conditions pursuant to the Intercreditor Agreement (if any) or other subordination agreement reasonably satisfactory to the Trustee, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (c) according to its terms yield only payment-in-kind interest.

"Sole Bookrunner" means Pareto Securities AB.

"STIBOR" means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its

request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or

- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

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

"Swedish Government Bond Rate" means:

- (a) the interpolated SGB rate between the SGB 12 August 2017 (series 1051) and the SGB 12 March 2019 (series 1052) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably); and

if any such rate is below zero, the Swedish Government Bond Rate will be deemed to be zero.

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

"Target" means Akademibokhandelsgruppen AB.

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

"Transaction Costs" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond Issue, (ii) the Working Capital Facility, and (iii) the listing of the Bonds.

"Transaction Security" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"Trustee" The bondholders' agent and Security Agent under the Terms and Conditions and, if relevant, the Finance Documents, from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

"Trustee Agreement" means the trustee agreement entered into on or before the First Issue Date, between the Issuer and the Trustee, or any replacement agency agreement entered into after the First Issue Date between the Issuer and a Trustee.

"Voluntary prepayment" has the meaning set forth in Clause 9.3 (*Voluntary prepayment*).

"Working Capital Facility" means a working capital facility in the maximum amount of SEK 50,000,000 (which may be increased with up to SEK 50,000,000 if such additional amount is guaranteed by the Sponsor on terms and conditions satisfactory to the Trustee, including but not limited to a right for the Trustee to claim under the guarantee upon the occurrence of an Event of Default or an acceleration of the Bonds in accordance with Clause 14.10 (*Acceleration of the Bonds*) (on terms and conditions further regulated in the Intercreditor Agreement (if applicable)) provided to a Group Company by a bank for general corporate purposes of the Group (and any refinancing, amendments or replacements thereof), amended from time to time (as the case may be) including any hedging of or under such working capital facility (or interest thereunder)).

"Working Capital Facility Agreement" means any agreement entered into between a Group Company and a bank pursuant to which a Working Capital Facility is provided by such bank.

"Working Capital Facility Provider" means the, from time to time, lender or the lenders under any Working Capital Facility.

"Working Capital Finance Documents" means the Working Capital Facility Agreement and any other document entered into in relation thereto.

"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, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in SEK 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 SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (*riksbank.se*). 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 Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Trustee or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in SEK 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 nominal amount of each Initial Bond is SEK 1,000,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) Provided that the Incurrence Test is met (tested pro forma including such financial indebtedness) the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 700,000,000. 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.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with (i) the Working Capital Facility pursuant to the terms of the Intercreditor Agreement (if any), but will receive proceeds from the enforcement of the Transaction Security and certain distressed disposals only after any obligations secured on a super priority basis, including the Working Capital Facility have been repaid in full, and (ii) 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.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) 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 purpose of the Bond Issue is to (i) refinance Existing Debt, to the extent required, (ii) finance the Extraordinary Distribution, and (iii) finance general corporate purposes.

4. Conditions Precedent

4.1 The Escrow Account

The Net Proceeds shall be transferred to the Escrow Account. The Escrow Account will be pledged in favour of the Trustee and the Bondholders (represented by the Trustee). The pledge over the Escrow Account shall be released when the Conditions Precedent for Disbursement have been fulfilled pursuant to Clause 4.2 below.

4.2 Disbursement of the Net Proceeds from the Initial Bonds

- (a) The payment of the Net Proceeds to the Escrow Account is subject to the Trustee having received documents and evidence of the Escrow Account Pledge Agreement being duly executed and perfected in accordance with its terms.
- (b) The Issuer shall provide, or procure the provision of, to the Trustee the following documents and evidence:
 - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents) for the Issuer and each other party to a Finance Document, evidencing that the Finance Documents have been duly executed;
 - (ii) evidence that the Finance Documents have been duly executed;
 - (iii) an agreed form Compliance Certificate;
 - (iv) evidence that the pledge over the shares in the Target has been or will be perfected in accordance with the terms of the relevant Security Document;
 - (v) evidence that the pledge over any current and future intragroup loans provided by the Issuer to the Target has been or will be perfected in accordance with the terms of the relevant Security Document;
 - (vi) evidence that the Existing Debt will be immediately repaid following disbursement; and
 - (vii) a closing certificate duly executed by the Issuer confirming that the acquisition of all shares in the Target will be completed immediately following disbursement.
- (c) The Trustee may assume that the documentation and evidence delivered to it pursuant to Clause 4.2.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Trustee does not have to verify or assess the contents of any such documentation and evidence. The

Trustee does not have any obligation to review the document and evidence referred to in Clause 4.2.1(b) above from a legal or commercial perspective of the Bondholders.

- (d) When the Trustee is satisfied that it has received the conditions precedent for disbursement set out in Clause 4.2.1(b), the Trustee shall instruct the bank (with which the Issuer holds the Escrow Account) to transfer the funds from the Escrow Account, in accordance with a funds flow memorandum which is provided by the Issuer. The Trustee shall thereafter or in connection therewith release the pledge over the Escrow Account.
- (e) If the documentation and evidence delivered pursuant to Clause 4.2.1(b) have not been fulfilled within sixty (60) Business Days from the First Issue Date, the Issuer shall redeem the Bonds at a price equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest and the funds on the Escrow Account shall in such case be applied to redeem the Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer.

5. Bonds in Book-Entry Form

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

6. Right to Act on Behalf of a Bondholder

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

- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

7. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a person not entitled to receive such amount.

8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Trustee or the CSD, in which case the Interest Rate shall apply instead.

9. Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

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

9.2 Issuer's purchase of Bonds

The Issuer 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 may at the Issuer's discretion be retained or sold, but not cancelled.

9.3 Voluntary prepayment

- (a) The Issuer may on one occasion each calendar year, make partial repayments of Bonds in an amount corresponding to a maximum of five (5) per cent of the aggregate Nominal Amount as of the First Issue Date. Any such partial repayment shall reduce the Outstanding Nominal Amount of each Bond pro rata (rounded down to the nearest SEK 1.00). The prepayment price for each Bond shall be a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the price set out in paragraph (a) of the definition of the Call Option Amount, together with accrued but unpaid interest.
- (b) Partial repayment accordance with Clause 9.3(a) shall be made by the Issuer giving not less than 20 Business Days' notice and the repayment shall be made on the immediately following Interest Payment Date.

9.4 Equity Claw Back

- (a) The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30 per cent of the total Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Outstanding Nominal Amount of each Bond pro rata. The repayment must occur on an Interest Payment Date within 180 days after such initial public offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest

SEK 1.00) plus (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the price set out in paragraph (a) of the Call Option Amount definition above and (ii) accrued but unpaid interest on the repaid amount.

- (b) Partial repayment accordance with Clause 9.4(a) shall be made by the Issuer giving not less than 20 Business Days' notice and the repayment shall be made on the immediately following Interest Payment Date.

9.5 Voluntary total redemption (call option)

- (a) The Issuer may redeem early all, but not some only, of the Bonds on any Business Day before the Final Redemption Date. The Bonds shall be redeemed at the Make Whole Amount or the Call Option Amount (as applicable) together with accrued but unpaid interest.
- (b) Redemption in accordance with Clause 9.5(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Trustee. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

- (a) Upon a Change of Control Event occurring that has not been waived by the Bondholders in accordance with these terms and conditions each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(b) 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(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.6(a).

9.7 General

- (a) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.

- (b) Any Bonds repurchased by the Issuer pursuant to this Clause 9 may at the Issuer's discretion be retained or sold, but not cancelled.

10. Transaction Security

10.1 Granting of the Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grant on the First Issue Date the Transaction Security and the Guarantor grant the Guarantee to the Secured Parties as represented by the Trustee on the terms set out in the Security Documents and the Guarantee Agreement.
- (b) The Trustee shall hold the Transaction Security and the Guarantee on behalf of the Secured Parties in accordance with the Security Documents and the Intercreditor Agreement (if any). The Issuer shall enter into the Security Documents and the Guarantee Agreement and perfect the Transaction Security in accordance with the Security Documents on or before the First Issue Date.
- (c) Subject to the terms of the Intercreditor Agreement (if any), unless and until the Trustee has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Trustee 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 Trustee's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantee, creating further Security or Guarantee for the benefit of the Bondholders or for the purpose of settling the Bondholders', the Working Capital Facility Provider's or the Issuer's rights to the Transaction Security and/or the Guarantee, in each case in accordance with the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Bondholders as a group.
- (d) The Trustee shall be entitled to give instructions relating to the Transaction Security and the Guarantee to the Security Agent in accordance with the Intercreditor Agreement (if any).

10.2 Release of Security and Guarantee

The Security Agent may at any time, acting on instructions of the Working Capital Facility Provider (if the Working Capital Facility Provider has entered into the Intercreditor Agreement (if any)) and the Trustee (acting on behalf of the Bondholders), release Transaction Security and the Guarantee in accordance with the terms of the Security Documents, the Guarantee Agreement and the Intercreditor Agreement (if any). For the avoidance of doubt any Transaction Security or Guarantee will always be released *pro rata* between the Bondholders and the Working Capital Facility Provider (if any) and the remaining Transaction Security will continue to rank *pari passu* between the Bondholders and the Working Capital Facility Provider (if any) as set forth in the Security Documents, the Guarantee Agreement and the Intercreditor Agreement (if any).

10.3 Enforcement of Security and Guarantee

- (a) The Trustee may only take any action to accelerate or enforce any Transaction Security or Guarantee in accordance with the terms of the Intercreditor Agreement (if any).

The Intercreditor Agreement (if any) will contain a stand-still provision (binding upon the Bondholders) relating to the enforcement of the Transaction Security and the Guarantee.

- (b) Upon an enforcement of the Transaction Security and/or the Guarantee, the proceeds shall be distributed in accordance with the Intercreditor Agreement (if any) or with Clause 15 (*Distribution of Proceeds*).
- (c) All security and/or guarantees or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any enforcement provided that the proceeds are distributed in accordance with the provisions set out in the Intercreditor Agreement (if any).

11. Information to Bondholders

11.1 Information from the Issuer

- (a) The Issuer will make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the Group's annual audited consolidated financial statements for that financial year and the Issuer's annual audited consolidated financial statements for that financial year, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (iii) as soon as the same become available, but in any event within two (2) months after the end of each financial year, the year-end report (Sw. *bokslutskommuniké*); and
 - (iv) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Bondholders and the Trustee upon becoming aware of the occurrence of a Change of Control Event.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Trustee.
- (d) The Issuer shall:
 - (i) supply the Trustee:

- (A) in connection with the incurrence of new Financial Indebtedness incurred pursuant to paragraph (g) of the definition of Permitted Debt a Compliance Certificate which shall contain computations as to the Incurrence Test (for the avoidance of doubt, no Compliance Certificate needs to be issued in connection with the Extraordinary Distribution);
 - (B) upon a distribution in accordance with Clause 13.2 (*Distributions*) a Compliance Certificate;
- (ii) supply to the Trustee, within twenty (20) Business Days from the Trustee's request a Compliance Certificate which shall contain computations as to the relevant test requested by the Trustee.
- (e) The Trustee may assume that any information provided by the Issuer in the Compliance Certificate is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
 - (f) The Issuer shall promptly notify the Trustee (with full particulars) when the Issuer is or becomes 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 Trustee with such further information as it may reasonably request in writing following receipt of such notice. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.
 - (g) The Issuer is only obliged to inform the Trustee according to this Clause 11.1 if informing the Trustee would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee according to this Clause 11.1.
 - (h) When and for as long as the Bonds are listed, the financial reports mentioned in paragraph 11.1(a)(i) and 11.1(a)(ii) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act.

11.2 Information from the Trustee

Subject to the restrictions of any applicable law and regulation, the Trustee 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 Trustee may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

11.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Trustee.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Trustee during normal business hours.

12. Incurrence Test

12.1 Incurrence Test

The Incurrence Test is met if:

- (a) the Net Interest Bearing Debt to EBITDA is not greater than:
 - a. 3.25 from the First Issue Date until 31 December 2017;
 - b. 3.00 from 1 January 2018 until 31 December 2018;
 - c. 2.75 from 1 January 2019 until 31 December 2019;
 - d. 2.50 from 1 January 2020 until the Final Redemption Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence of new Financial Indebtedness or the making of a Restricted Payment.

12.2 Testing

The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness or making of a Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). The cash position shall be measured on the relevant testing date so determined reduced with the relevant Restricted Payment. EBITDA shall be in accordance with the latest Financial Report and be further calculated as set out below.

12.3 Adjustments

EBITDA, Finance Charges, Net Interest Bearing Debt and Net Finance Charges:

The figures for EBITDA, Finance Charges and Net Finance Charges for the Reference Period ending on the last day of the period covered by the most recent financial report shall be used for the Incurrence Test, but adjusted so that:

- (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Reference Period; and
- (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period.

Any liability under any leases for premises shall be excluded or included as Net Interest Bearing Debt, as selected by the Issuer, from the inception of IFRS 16 and thereafter consistently applied.

13. General Undertakings

13.1 General

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

13.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend on its shares (other than loans and group contributions to the Issuer or a Subsidiary of the Issuer);
 - (ii) repurchase any of its own shares;
 - (iii) redeem its share capital or other restricted equity with repayment to shareholders;
 - (iv) save as set out in Clause 13.11, grant any loans to any party;
 - (v) repay any Shareholder Loans or capitalized or accrued interest thereunder, or
 - (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a Subsidiary of the Issuer) ((i)-(vi) each being a "**Restricted Payment**").
- (b) Notwithstanding the above, the Issuer shall (A) be permitted to complete any Extraordinary Distribution, and (B) following an Equity Listing Event and following a full Equity Claw Back, a Restricted Payment may be made by the Issuer, if at the time of the payment:
- (i) the Incurrence Test is fulfilled (calculated on a pro forma basis including the relevant Restricted Payment); and
 - (ii) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent of the Group's consolidated net profit for the previous fiscal year.

13.3 Listing

The Issuer shall ensure (i) that the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the First Issue Date and with an intention to complete such listing within 30 calendar days after the First Issue Date; (ii) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the issuance of such

Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds, and (ii) that the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm 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

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

13.5 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur Financial Indebtedness that constitutes Permitted Debt.

13.6 Disposal of Assets

The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets (including but not limited to material intellectual property rights) or operations to any person not being the Issuer or any of its wholly-owned Group Companies, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect, provided however that the shares in a Guarantor may never be disposed.

13.7 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with their direct and indirect shareholders (excluding the Issuer or Subsidiaries) and/or any Affiliates of such direct and indirect shareholders on arm's length terms (other than contributions from the Issuer to wholly owned subsidiaries).

13.8 Clean Down Period

The Issuer shall procure that during each calendar year there shall be a period of three (3) consecutive days during which the amount outstanding under the Working Capital Facility, less cash and cash equivalents of the Group, amounts to zero (0) or less. Not less than six (6) months shall elapse between two such periods.

13.9 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Issuer and the Group have a right to establish, retain, prolong or renew, any Permitted Security.

13.10 Insurance

The Issuer shall ensure that insurance appropriate to its business, assets and operations is obtained and maintained in full force and effect.

13.11 Loans out

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party than (i) to other Group Companies, or (ii) in the ordinary course of trading.

14. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an event of default.

14.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

14.2 Other Obligations

A party (other than the Trustee) does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 14.1 (*Non-Payment*) above and which is not immaterial, provided that the failure has not been remedied within 10 Business Days from the earlier of the Issuer becoming aware of the non-compliance and the Trustee has requested the Issuer in writing to remedy such failure (if the failure or violation is not capable of being remedied, the Trustee may declare the Bonds due and payable without such prior written request).

14.3 Cross-acceleration

Any Financial Indebtedness of a Material 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 14.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

14.4 Insolvency

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

14.5 Insolvency Proceedings

- (a) Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith or which are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised, (ii) proceedings or petitions concerning a claim which is less than SEK 10,000,000, and (iii), in relation to Subsidiaries, solvent liquidations) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction in respect of any Group Company.

14.6 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 (i) a merger subject to existing security between Subsidiaries shall not be an Event of Default and (ii) a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and (iii) provided that the Issuer may not be demerged. Notwithstanding the foregoing, it shall be permitted to merge Akademibokhandeln AB with Bokus AB.

14.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not disputed in good faith or discharged within 90 days.

14.8 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents which are not immaterial or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

14.9 Continuation of the Business

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

14.10 Acceleration of the Bonds

- (a) Subject to the terms of the Intercreditor Agreement (if any), upon the occurrence of an Event of Default which is continuing the Trustee is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Trustee determines

(but such date may not fall after the Final Redemption Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Trustee may not accelerate the Bonds in accordance with Clause 14.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Trustee shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Trustee decides not to accelerate the Bonds, the Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders instruct (representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such instruction 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 Trustee and shall, if made by several Bondholders, be made by them jointly)) the Trustee to accelerate the Bonds, the Trustee shall, provided that the provisions of the Intercreditor Agreement (if any) has been complied with, promptly declare the Bonds due and payable and take such actions as, in the opinion of the Trustee, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 14.10, the Issuer shall redeem all Bonds at an amount per Bond equal to the Outstanding Nominal Amount together with a premium on the due and payable amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the Make Whole Amount (plus accrued and unpaid Interest).

15. Distribution of Proceeds

- (a) Subject to the clause regulating Application of Proceeds under the Intercreditor Agreement (if any), upon enforcement of Transaction Security and/or Guarantee or other enforcement action, all proceeds shall be made and/or distributed in the following order of priority:
 - (i) *first*, in or towards payment of the Trustee under the Finance Documents, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
 - (ii) *secondly*, towards payment of accrued interest unpaid under the Bonds;

- (iii) *thirdly*, towards payment of principal under the Bonds; and
- (iv) *fourthly*, in or towards payment of any other costs or outstanding amounts under and the Bonds.

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

- (b) Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security and/or the Guarantee shall constitute escrow funds (*Sw. redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with this Clause 15 as soon as reasonably practicable.

16. Decisions by Bondholders

- (a) A request by the Trustee for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Trustee 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 Trustee and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee'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 Trustee 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 Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
 - (i) on the Business Day specified in the notice pursuant to Clause 18(c), in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least 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 Clause 18(c):

- (i) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
 - (ii) a release of the Transaction Security or the Guarantee, except in accordance with the terms of the Security Documents, the Guarantee Agreement or the Intercreditor Agreement (if any);
 - (iii) the exchange of Bonds for any other securities;
 - (iv) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (v) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (vi) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or (19(a)(iii))), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the 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.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as appropriate.

- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All reasonable costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Bonds owned by Group Companies and Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Trustee 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.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Trustee, 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 Trustee, as applicable.

17. Bondholders' Meeting

- (a) The Trustee shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Trustee, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Trustee. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).

- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18. Written Procedure

- (a) The Trustee shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Trustee.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. Amendments and Waivers

- (a) Subject to the terms of the Intercreditor Agreement (if any), the Issuer and the Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) in the opinion of the Trustee and/or as confirmed by a reputable external expert engaged by the Trustee (if the Trustee reasonably considers it necessary to engage such expert), such amendment or waiver is not detrimental to the interest of the Bondholders as a group;
 - (ii) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
 - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (iv) such amendment will not negatively affect the Bondholders or the Trustee and is necessary for the purpose of the listing of the Bonds pursuant to Clause 13.3 (*Listing*); or
 - (v) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
 - (c) The Trustee shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*).
 - (d) The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
 - (e) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Trustee, as the case may be.

20. Appointment and Replacement of the Trustee

20.1 Appointment of Trustee

- (a) By subscribing for Bonds, each initial Bondholder appoints:
 - (i) the Trustee to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Trustee 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
 - (ii) confirms the appointment under the Intercreditor Agreement (if any) of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantee and the Guarantee

Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement (if any).

- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Trustee to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee, as applicable), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Trustee is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee, as applicable), that the Trustee, as applicable, deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Trustee's obligations as Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Trustee may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Trustee

- (a) The Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security and the Guarantee pursuant to the Security Documents and the Guarantee Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or the Guarantee on behalf of the Bondholders. The Trustee is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Bondholders. The Trustee shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Trustee's duties under the Finance Documents are solely mechanical and administrative in nature and the Trustee only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Trustee is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- (d) The Trustee is not 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 Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Trustee is entitled to assume that no Event of Default has occurred.

- (e) The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Trustee 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) The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee 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 Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Trustee and the Issuer. Any compensation for damages or other recoveries received by the Trustee 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, the Trustee is not 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 Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) 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 Trustee 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, the Trustee 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 Trustee 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 Trustee under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

20.3 Limited liability for the Trustee

- (a) The Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- (b) The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee 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) The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Bondholders, provided that the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.
- (d) The Trustee shall have no liability to the Bondholders or the Issuer for damage caused by the Trustee when acting in accordance with instructions of the Bondholders given to the Trustee in accordance with the Terms and Conditions.
- (e) Any liability towards the Issuer which is incurred by the Trustee 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 Trustee is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

20.4 Replacement of the Trustee

- (a) Subject to Clause 20.4(f), the Trustee may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Trustee at a Bondholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- (b) Subject to Clause 20.4(f), if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. 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 Trustee be dismissed and a new Trustee appointed.

- (d) If the Bondholders have not appointed a successor Trustee within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- (f) The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- (g) Upon the appointment of a successor, the retiring Trustee 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 Trustee. 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 Trustee.
- (h) In the event that there is a change of the Trustee in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Trustee agrees otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

21. Appointment and Replacement of the Issuing Agent

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

22. No Direct Actions by Bondholders

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

företagsrekonstruktion) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

- (b) Clause 22(a) shall not apply if (i) the Trustee has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions or (ii) the Security Agent has been instructed by the Instructing Group (as defined in the Intercreditor Agreement (if any)) in accordance with the Intercreditor Agreement (if any) to enforce the Transaction Security and/or Guarantee but is legally unable to take such enforcement actions.

23. Prescription

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

24. Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Trustee, 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 Trustee to the Issuer from time to time;
 - (ii) if to the Issuer, to the following address:
 - (A) Box 2100, 103 13 Stockholm; or
 - (B) if sent by email by the Trustee, to the email address notified by the Issuer to the Trustee from time to time.
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Trustee.

- (c) 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 and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24(a) or, in case of email, when received in readable form by the email recipient.

25. Force Majeure and Limitation of Liability

- (a) Neither the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. Governing Law and Jurisdiction

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

ADDRESSES**ISSUER**

Akademibokhandeln Holding AB (publ)
Lindhagensgatan 74, 112 18, Stockholm
Box 2100, 103 13, Stockholm
Tel.: +46 10 744 10 57

ISSUING AGENT

P.O. Box 7415
SE-103 91 Stockholm
Sweden
Tel.: +46 8 402 50 00
Fax: +46 8 20 00 75

LEGAL COUNSEL

Roschier Advokatbyrå AB
Brunkebergstorg 2
P.O. Box 7358
SE-103 90 Stockholm
Sweden
Tel.: +46 8 553 190 00
Fax: +46 8 553 190 01

AGENT

Nordic Trustee & Agency AB (publ)
Kungsgatan 35
SE-103 90 Stockholm
Tel.: +46 8 783 7900

AUDITOR

PricewaterhouseCoopers AB
Torsgatan 21
SE-113 97
Tel: +46 10 213 30 00

CENTRAL SECURITIES DEPOSITORY

Euroclear Sweden AB
P.O. Box 7329
SE-103 90 Stockholm
Tel.: +46 8 783 7900