

QLIRO GROUP AB (PUBL)

**PROSPECTUS REGARDING LISTING OF
MAXIMUM SEK 500,000,000**

SENIOR UNSECURED CALLABLE FLOATING RATE BONDS

2017/2020

ISIN: SE0009779812

14 June 2017

Important information

This prospectus (the “**Prospectus**”) has been prepared by Qliro Group AB (publ) (“**Qliro**” or the “**Company**”), registration number 556035-6940, in relation to the application for listing of bonds issued under the Company’s maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2017/2020 with ISIN SE0009779812 (the “**Bonds**”), of which SEK 250,000,000 was issued on 23 May 2017 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at NASDAQ Stockholm AB (“**Nasdaq Stockholm**”). References to the Company or the Group refer in this Prospectus to Qliro Group AB (publ) and its subsidiaries from time to time. References to “SEK” refer to Swedish Kronor.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

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 Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this 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 U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page ([www .fi.se](http://www.fi.se)) and the Company’s web page ([www .qlirogroup.com](http://www.qlirogroup.com)), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off 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 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 or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk factors*” below.

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

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

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

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Risk factors

Investing in the Bonds involves inherent risks. The financial performance of the Group and the risks associated with the Group's business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented in this section are not exhaustive as other risks not known to the Company or risks arising in the future may also come to adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors herein are not ranked in order of importance. Potential investors should carefully consider the information contained in this Prospectus and make an independent evaluation before making an investment decision.

Risks related to the Group and the market

The general economy and consumer purchasing power

The demand for the products the Group sells is affected by the general economic situation primarily in Sweden and the Nordics, but also in the rest of the world, as well as by the market development for e-commerce and the product markets on which the Group is active. The economic situation and the consumers' purchasing power are affected by various factors beyond the Group's control, e.g. interest rates, exchange rates, inflation, taxes, unemployment levels and other local economic/financial factors and uncertainty regarding the future economic/financial prospects. There is a risk that a weakening economic situation, resulting in reduced private consumption, will decrease the demand for the Group's products and have an adverse effect on the Group's operations, financial position and earnings.

The future growth of e-commerce and the shift from offline to online shopping

The demand for the Group's products depends on the continued development and growth of the e-commerce markets and the shift from offline to online shopping. The average annual growth of the Nordic e-commerce market has been approximately fifteen (15) per cent. annually during the last few years. In 2016 the e-commerce market in Sweden constituted seven point seven (7.7) per cent. of the total retail compared to one point two (1.2) per cent. in 2003 (according to HUI Research). Since the Group sells products online, there is a risk that a weakening trend on the e-commerce markets for the Group's products will have an adverse effect on the Group's operations, financial position and earnings.

The market for media products

CDON is exposed towards the rapidly decreasing sales of physical media products. The development is that products are being digitalized and sold, usually in the form of downloads, or distributed without delivery of a physical product, like a CD, DVD or Blu-ray disc, for example by way of subscription services that gives the consumer access to streamed music and movies at a fixed price over the internet. Decreasing sales of physical media products results in lower gross margins since the sale of digital products, such as downloads and streaming of rental movies, has lower profit margins than sales of the physical product. If the sales of physical media products

decrease faster than estimated by the Group, or if the development of the e-commerce market for physical media products gets worse in another way, there is a risk that the Group's prospects and profitability is adversely affected and that the Group's operations, financial position and earnings are adversely affected thereby.

Competition

The Group operates in a competitive environment and faces competition from other players in the e-commerce market, as well as from traditional retailing business. The e-commerce market in the Nordic countries is fragmented and very competitive. The Group is also exposed to competition from international companies that indirectly conduct business in the geographic markets that the Group is active in, as consumers who are shopping online easily can purchase products from international e-commerce sites. Particularly in relation to Nelly, the competition from the traditional retailing business is significant as many customers prefer to try on clothing and shoes in stores before buying them, but also the other internet stores have consumers who prefer to buy products in traditional retailing stores.

A number of established international companies, which have not historically been regarded as e-commerce companies and that sell products that are similar to those sold by the Group, increase their focus on the e-commerce markets. Established companies on the Swedish e-commerce market that currently sell other products than the Group may decide to expand their product offering and begin to compete with the Group. Companies that conduct business on a larger scale than the Group can benefit from greater economies of scale than the Group, and there is thus a risk that they can offer consumers lower prices than the Group. Furthermore, industry practices on other sales terms than price may be exposed to change, such as the ability to charge for shipping. The Group may be forced to lower its prices in order to match competitive pricing, with lower gross margin as a result.

If any of the above mentioned risks were to materialise, there is a risk that it will have an adverse effect on the Group's operations, financial position and earnings.

Seasonal variations

Primarily CDON Marketplace and Lekmer are heavily dependent on Christmas shopping and exposed to large seasonal variations since a large portion of sales occurs during the fourth quarter. Seasonal variations are significant also for Nelly where the second and the fourth quarter are the strongest as summer and winter clothing exhibit the largest sales. There is a risk that weaker demand during a specific quarter can substantially influence sales in a segment during the year and have an adverse effect on the Group's operations, financial position and earnings.

Divestment of Lekmer

The Company has entered into an agreement to divest Lekmer. The agreement is subject to certain conditions being fulfilled. There is however a risk that the relevant conditions are not fulfilled or that the divestment of Lekmer for other reasons cannot be completed and that the Group's operations, financial position and earnings are adversely affected thereby.

Fashion trends

Nelly is exposed to fluctuations in trends and fashion, as well as consumer preferences regarding design, quality and price. If the Group misjudges consumer preferences, and does not succeed in

selling its products, there is a risk that this leads to excess inventory of certain products and price cuts and has an adverse effect on the Group's operations, financial position and earnings.

Gymgrossisten's products

Gymgrossisten offers, through the e-stores Gymgrossisten.com (Fitnessstukku.fi in Finland, Gymsector.com in the EU and Bodystore.dk in Denmark), Bodystore.com and Milebreaker.com, different types of nutritional supplements and health foods, *e.g.* for stamina and muscle gain. These products are classified as food products. Failures in the handling of the food products or in the control by suppliers and other external parties of Gymgrossisten's products may at worst entail that products may be classified as prohibited or lead to contamination, infection, or other undesirable effects to the user. The Group may also be subject to liability for damages based on product liability. There is a risk that failures in the food product handling or the control by suppliers and other external parties lead to negative publicity for the Group and the brand Gymgrossisten, which may lead to reduced demand and reduced confidence in Gymgrossisten's products, and in turn have an adverse effect on the Group's operations, financial position and earnings.

Dependence on suppliers

The Group is dependent on hundreds of external suppliers' accessibility, development, production, quality control and delivery of the products sold via the Group's internet stores. The Group is also dependent on the retailers connected to CDON Marketplace and such retailers' suppliers, see "CDON Marketplace". Furthermore, the Group uses external suppliers to provide the goods that the Group sells to its customers. Damaged goods and delays or failure to deliver goods may have adverse consequences on the distribution chain, which can lead to additional costs, disruptions in the Group's operations and loss of confidence in the Group among customers. The Group is also dependent on Qliro's provision of well-functioning invoice and instalment payment services, see "Risks related to Qliro Financial Services". There is a risk that each case of loss of a particular supplier will have an adverse effect on the Group's operations, financial position and earnings.

The Group is dependent on the ability of the Group's current suppliers to provide products that meet any applicable regulatory requirements within the industry. Implementation of new regulatory requirements could therefore be challenging for Group as it may be difficult to find suppliers who can provide products which meet such requirements. If the Group is unable to find suppliers that meet the Group's requirements and potential requirements from regulatory authorities, or if the Group is subject to defective goods or incorrect, delayed or missing deliveries, there is a risk that this will have an adverse effect on the Group's operations, financial position and earnings.

Disturbances or inadequacies in the Group's IT and control systems

The Group's operations are highly dependent on reliable IT and control systems that are well suited to the Group's operations. The Group has made significant investments in sophisticated IT and control systems, but certain systems are not fully integrated yet and some processes contain elements of manual administration and assumptions as regards valuations and reserves. There is a risk that the systems could face disturbances or disruptions as well as breaches in the manual procedures, assessments and valuations. Such disturbances, disruptions and breaches could lead to serious disruptions of service or errors and decreased confidence in Group, reducing the Group's competitiveness and position in the market as a result. There is a risk that disruptions and breaches in such systems and procedures will have an adverse effect on the Group's operations, financial position and earnings.

Ability to recruit and retain staff

The Group's future success is highly dependent on the Group's ability to recruit, retain and develop qualified senior executives and other key individuals. There is a risk that key individuals leave the Group and appropriate successors cannot be recruited and that the Group's operations, financial position and earnings are adversely affected thereby.

Operational risks

Operational risk is defined as the risk for direct or indirect loss due to ineffective or failing internal procedures, human errors, incorrect systems or external events. Operational risks also refers to IT risk, legal risk and compliance risk (non-compliance with applicable rules) and security risk (information security and continuity planning) but also include fraud risk which refers to the risk that the Group is exposed to organised frauds, e.g. that products are ordered by using false credentials. If any of these risks were to materialise, there is a risk that this will have an adverse effect on the Group's operations, financial position and earnings.

Marketing

The Group depends on marketing to increase its sales volumes and to retain and improve the market position of each internet store. There is a risk that resources spent on future marketing campaigns will not result in increased sales, and thereby have an adverse effect on the Group's operations, financial position and earnings.

Warehousing and distribution

The Group depends on a number of warehouses that are associated with the Group's internet stores. If a warehouse for some reason should be destroyed or close or if its equipment should be seriously damaged, there is a risk that the Group may not be able to deliver the products to its customers. Actions that have been taken to consolidate the Group's warehouse units, and actions that may be taken in the future, can lead to increased costs and disorders during the transition periods. Further, there is a risk that the Group's insurance policies for property and production stoppages are not sufficient to cover potential losses. The Group is also dependent on proper transport services to and from the warehouses and is exposed to the risk for disruptions in the supply network. If any of the risks related to the Group's warehouses or supply chain were to materialise, there is a risk that this will have an adverse effect on the Group's operations, financial position and earnings.

Expansion into new markets and new segments

The Group's long-term strategy is to achieve growth that is consistent with or above that of the market for each segment. Potential expansion into new markets, both in terms of geography and industry, could bring about unforeseen costs as well as lower-than-expected sales for the Group. There is a risk that the Group's growth strategy is less successful than expected and that the Group's operations, financial position and earnings are adversely affected thereby.

CDON Marketplace

CDON Marketplace enables e-retailers to sell their products through CDON.com. CDON Marketplace is an important part of the growth strategy for CDON.com. CDON has the right to remove retailers or products from CDON Marketplace, but in contrast to the other internet stores of the Group, CDON does not control the products or deliveries of the products that are sold through CDON Marketplace. There is a risk that shortcomings in the products, service, delayed or lost deliveries from external e-retailers that act through CDON Marketplace can, in addition to any

negative effects for CDON and CDON Marketplace, result in an impaired reputation for the Group and have a material adverse effect on the Group's operations, financial position and earnings.

Structural measures and acquisitions

The Group has made a number of acquisitions and divestitures over the years and its long-term strategy is to continue to grow in existing and new markets, organically and possibly through acquisitions. However, there is a risk that the Company will be prevented from making acquisitions due to capital adequacy requirements, see "Risks related to Qliro Financial Services". Growth through acquisition also poses a risk because of the difficulty of integrating new businesses and employees. Further, the Group is exposed to the risk that guarantees provided or agreements terminated in connection with divestitures of subsidiaries or other large assets, entails claims, the amount of which can be hard to predict. Such claims may be substantial and/or lead to disputes, see further the risk factor "Disputes". There is a risk that the Group will be forced to refrain from acquisition opportunities, or will have significant acquisition and administration costs, as well as costs for restructuring and other costs in relation to acquisitions or divestitures and that the Group's operations, financial position and earnings are adversely affected thereby.

Intangible assets

The value of the Group's intangible assets as of 31 December 2016 was SEK 383.8 million and comprised goodwill of SEK 211.5 million and other intangible assets worth SEK 172.3 million. There is a risk that the Group's intangible assets are impaired, *e.g.* due to damaged reputation, and that the Group's operations, financial position and earnings are adversely affected thereby.

Intellectual property rights

There is a risk that the Group's protection of its trademarks, names and domain names is not adequate. There is also a risk that, *e.g.* in connection with product launches or with expansion into new geographic markets, the Group could infringe, or be accused of infringing on a third party's intellectual property rights. If the Group's protection of its own intellectual property rights is not adequate, or if the Group infringes on a third party's intellectual property rights, it risks having an adverse effect on the Group's operations, financial position and earnings.

Legislation, regulation and compliance

The Group pursues operations in several countries with different legislation, fiscal regulations and regulations governing some of the goods that the Group sells. For example, products within the Gymgrossisten segment must follow national food regulations. These products must therefore be approved by regulatory authorities in some of the countries where the Group operates. Further, as a credit market company, Qliro's business is subject to regulatory requirements and, if the Company becomes a financial holding company, also the Company will be subject to such requirements, see "Risks related to Qliro Financial Services". Legal violations or breaching regulations, such as food and drink legislation or requirements on capital adequacy and liquidity coverage, could lead to sanctions against the Group. Moreover, the cost of regulatory compliance can be substantial. There is a risk that sanctions imposed on the Company or its subsidiaries, as well as costs for regulatory compliance, will have an adverse effect on the Group's operations, financial position and earnings.

Disputes

The Company and its subsidiaries are from time to time involved in disputes and legal proceedings with, or receive claims from, third parties, such as customers, suppliers, other business partners, tax authorities or other local authorities, regarding *e.g.* cases where the Group's products are

claimed to be defective and/or are claimed to have caused property damage or personal injury. The Group may also be involved in disputes related to acquisitions or divestitures made by the Group, see the risk factor “Structural measures and acquisitions”. There is a risk that such disputes will be time consuming and costly and that the outcome will be unsuccessful or harmful for the Group. Furthermore, the costs associated with such disputes or claims can be difficult or even impossible to foresee. Consequently, there is a risk that claims against the Group or the Group’s active involvement in any legal proceedings against a third party will result in the Group being forced to spend considerable sums and resources and that the Group’s operations, financial position and earnings are adversely affected thereby.

Tax risks

The Group conducts its business in several different countries with different tax regulations. There is a risk that the Group’s interpretation of applicable laws, tax treaties and regulations, case law and the tax authorities’ practices is not correct, or that such rules change, potentially with a retroactive effect. There is a risk that, as an effect of relevant authorities’ decisions, the Group’s tax situation will change and that such changes have an adverse effect on the Group’s operations, financial position and earnings.

Finnish customs authorities are investigating a subsidiary of CDON AB, Åland-based CDON Alandia, on suspicion of tax fraud. In late 2015, the Finnish Tax Administration, had, pertaining to the financial year 2012, decided to impose an additional tax of approximately EUR 3.8 million and a tax surcharge of approximately EUR 1.9 million on CDON Alandia AB. Pending the tax dispute ruling, CDON Alandia has paid EUR 5.9 million including penalty interest at the request of the Åland authorities attributable to the tax claims. The investigation is still ongoing and the tax dispute is pending in the Helsinki Administrative Court. There is a risk that CDON Alandia AB is sentenced for tax fraud and/or imposed significant additional taxes, that irrespective of the outcome in the procedure, the Group’s reputation is damaged because of being associated with the alleged tax fraud and that the Group’s operations, financial position and earnings are materially adversely affected thereby.

Environmental risk

The Group’s operations require warehousing, packaging and transportation. The Group’s customers and owners and the society in general expect that the Group, as well as its suppliers and distributors, offer environmentally conscious choices and operate in a manner that is sustainable in the long term. There is a risk that a failure to meet the stakeholders’ demands on environmental consciousness adversely affects the Group’s reputation and that the Group’s operations, financial position and earnings are adversely affected thereby.

Reputational risks

The Group’s business is dependent on customers’, finance and other suppliers’ and other market players’ trust in the Company and its subsidiaries. There is a risk that any damage to the reputation or reduced trust for the Company, any of its subsidiaries or their brands or products will have an adverse effect on the Group’s operations, financial position and earnings.

Risks related to data protection and processing of personal data

The Group’s ability to collect, retain, share and otherwise handle client information is regulated by personal data laws, confidentiality requirements and regulatory restrictions. Personal data may, for example, only be collected for specific, explicitly stated and authorised purposes and may only be

handled in accordance with such purposes. Moreover, personal data may not be saved for longer than is necessary to achieve the purposes for which it was collected. There is a risk that the Group's security procedures regarding its customers' personal data, and other procedures for the protection of personal data, are not sufficient to prevent the disclosure or handling of personal data in breach of applicable laws and agreements and that IT and system failures or defects could lead to the loss of customers' personal data or other information. Relevant authorities, such as the Swedish Data Inspection Board, may exercise supervision or otherwise review the Group's handling of personal data from time to time and may require the Group to change its current procedures, which could lead to further costs and administration for the Group. Serious infringement of applicable laws and rules on the handling and protection of customer information and other personal data could lead to the Group losing licenses, being in breach of contracts, or being subject to fines, legal action and/or damage to reputation. There is a risk that the Group's policies, processes or systems are found not to comply with applicable laws and rules on the handling of personal data, and that the Group's operations, financial position and earnings are adversely affected thereby.

The Company is a holding company

The Company is a holding company and holds no significant assets other than investments in its subsidiaries. The Company is thus dependent upon receipt of sufficient income related to the operation of and the ownership in its subsidiaries. However, Qliro AB may be restricted from making dividend distributions due to capital adequacy requirements, see "Risks related to Qliro Financial Services". The Company is exposed to the risk that income related to its subsidiaries, or the receipt of such income, decrease, and that the Group's operations, financial position and earnings are adversely affected thereby.

Currency risk

The Group's reporting currency is the Swedish krona (SEK). Since a significant part of the Group's sales and purchases are made in other currencies than SEK, the Group is exposed to certain risks related to financial transactions in various currencies (transaction exposure). The Group is also exposed to currency risk arising from the translation of the balance sheets and income statements of foreign subsidiaries (translation exposure). The most important currencies that the Group is exposed to are NOK, DKK and EUR for sales, and NOK, DKK, EUR, USD and GBP for purchases. The Group does not hedge this exposure. There is a risk that currency fluctuations will have an adverse effect on the Group's operations, financial position and earnings.

Financing risk

From time to time, the Group finances its operations by borrowing funds and potential future acquisitions could increase the need for new capital. At year-end 2016, the Group's net debt amounted to SEK 78.1 million. Further, part of Qliro's operations and consumer lending is funded through borrowing. However, there is a risk that inability to refinance existing facilities or to obtain additional financing at market terms, as a result of a deficiency in the capital market or for any other reason, will result in delays or reduction or termination of certain operations and, in turn, have an adverse effect on the Group's operations, financial position and earnings.

Further, existing financing in the Group contains undertakings, which, if breached and not waived, could result in the existing financing being accelerated and becoming due and payable. There is a risk that an obligation to prepay any existing financing will have an adverse effect on the Group's operations, financial position and earnings.

Interest rate risk

As the Group from time to time finances its operations by borrowing funds, a portion of the Group's cash flow is used to service interest. Interest rate risk is the risk that changes in interest rates affect the Group's interest costs. Changes in interest rates may lead to changes in actual value, changes in cash flows and fluctuations in the Group's result. The Group is also exposed to interest rate risk through mismatched interest rate horizon of assets and liabilities. If such interest rate risks materialise there is a risk that the Group's operations, financial position and earnings are adversely affected.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfill its obligations associated with financial liabilities as they fall due, without the cost for obtaining cash or cash equivalents increasing significantly. The Group is dependent on available credit facilities together with its own cash flow to meet the need of cash and may in the future require additional funding. If the sources of financing prove to be insufficient, the Group will be forced to seek alternative funding, including the selling of assets. Such measures risks having an adverse effect on the Group's operations, financial position and earnings.

Credit Risk

Credit risk is the exposure to loss in the event that a counterparty fails to fulfil its obligations. The exposure is based on the carrying amount of the financial assets, of which the majority comprises accounts receivables, cash and cash equivalents. The credit risk attributable to the Group's accounts receivable is distributed among a large number of customers, mainly individual persons. Accounts receivable are sold both to the internal company Qliro AB (see also "Risks related to Qliro Financial Services") and to external factoring companies. If the Group does not receive payment in accordance with an issued invoice and/or incurs a loss due to a consumer's inability to fulfill its obligations, this may cause losses that have an adverse effect on the Group's operations, financial position and earnings.

Risks related to Qliro Financial Services

Qliro AB is part of the Qliro Financial Services segment and is a credit market company authorised by the Swedish Financial Supervisory Authority. Invoicing and partial payments are offered by Qliro AB for purchases through the Group's Swedish, Finnish and Danish online stores, as well as through a number of external merchants outside the Group. The Swedish Consumer Agency supervises Qliro AB's consumer lending. The activities Qliro AB conducted in 2016 did not require a licence. In March 2017 Qliro AB received authorisation from the Swedish Financial Supervisory Authority to operate as a credit market company and in May 2017 Qliro AB launched savings accounts covered by the Swedish state deposit guarantee. The license also gives Qliro AB the possibility to issue consumer loans in the Norwegian market and to launch additional digital financial services. However, there is a risk that the plans for the development and expansion of Qliro AB may be delayed or cannot, in part or whole, be executed or can only be executed at an increased cost compared to what the Group had estimated, and that the Group's operations, financial position and earnings are adversely affected thereby.

As a credit market company, Qliro AB is subject to extensive regulation, regarding *inter alia* capital and capital adequacy requirements, liquidity risk management, liquidity coverage and

restrictions regarding large exposures. This means *e.g.* that Qliro AB's capital base needs to cover the risks associated with its operations, which Qliro AB needs to report on and fulfil the applicable liquidity coverage ratio and have a liquidity reserve to secure its ability to make payments on short-term.

When at least fifty (50.00) per cent. of the Company's equity, consolidated assets, revenues, personnel or other indicator deemed relevant by the Financial Supervisory Authority, derives from Qliro AB, the Company will become a "financial holding company" and Qliro AB and the Company will be part of the same "consolidated situation". The Company will then be subject to certain regulatory requirements, and the above-mentioned requirements on capital and capital adequacy, liquidity risk management, liquidity coverage and restrictions regarding large exposures will be applied on a consolidated basis. There is however a risk that Qliro AB and the Company (if applicable) will end up in a situation where the capital base is insufficient due to *e.g.* increased costs or decreased earnings, which could entail requirements from the Financial Supervisory Authority on limitation of the risks associated with the operations, on requirements to raise additional capital or to freeze dividend distributions. There is also a risk that Qliro AB and the Company (if applicable) will not be able to successfully manage and monitor its liquidity and financing needs or will have a too large exposure towards a single customer and that the Group's operations, financial position and earnings are materially adversely affected thereby.

Qliro AB is also subject to requirements on measures against money laundering and the financing of terrorism, as well as on following the EU's sanction decrees. Monitoring compliance with such laws and statutes requires comprehensive procedures, processes and technical resources, which may result in considerable costs to the Group. There is also a risk that the Group fails in its measures to counter money laundering and the financing of terrorism or breaches the applicable trade sanctions and can subsequently suffer legal consequences and sanctions as a result, and that the Group's operations, financial position and earnings are materially adversely affected thereby.

Further, Qliro AB and the Company (if applicable) is exposed to the risk that the applicable regulation changes. There is a risk that adoption of new legislation, regulations, legal or administrative proceedings or changes in the judicial application will force Qliro AB and the Company (if applicable) to change or discontinue existing services, businesses or business models or incur significant expenses or liabilities or prohibit Qliro AB to carry on its licensed operations. There is also a risk that the Financial Supervisory Authority deems Qliro AB's and the Company's (if applicable) interpretation of relevant regulations to be wrong. Inspections and supervision from the Financial Supervisory Authority may lead to penal charges or ultimately that Qliro AB's license is withdrawn. Legal measures also risk causing significant damage to the Group's reputation and materially adversely affecting the Group's operations, financial position and earnings.

In addition to the above, Qliro AB's business is exposed to a number of risks, some of which have been explained in the foregoing (see *e.g.* "Credit risk", "Interest rate risk", "Liquidity risk", "Operational risk", "Reputational risk" and "Financing risk"). Qliro AB is also exposed to business/strategic risk, due to the risk of loss owing to changes in market conditions (changes in volumes, interest rate margins and other price changes related to lending operations) and erroneous and unsuccessful business decisions, as well as consumers choosing other payment solutions than Qliro AB's services. If the services provided by Qliro AB are not considered to be secure,

financially advantageous and easy to use by the online stores' customers, this could lead to lower sales in the Group's online stores and subsequent deterioration in the Group's reputation, and adversely affect the Group's operations, financial position and earnings.

Risks related to the Bonds

Credit risks

An investment in the Bonds carries a credit risk relating to the Group. The bondholders' ability to receive payment under the Terms and Conditions is therefore dependent upon the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed herein. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial position of the Company may entail a lower credit-worthiness and the possibility for the Company to receive financing may be impaired when the Bonds mature.

Refinancing risk

The Company may be required to refinance its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position improve, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's operations, earnings and financial position and on the bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Company will be required to comply with the Terms and Conditions. Events beyond the Company's control, including changes in the economic and business condition in which the Group operates, may affect the Company'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.

Interest rate risks

The value of the Bonds is dependent on several factors, including the level of the general market interest rates over time. The Bonds have a floating rate structure on 3 (three) month STIBOR plus a margin and the interest rate of the Bonds will be determined two (2) business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control

Liquidity risks

The Company has undertaken to list the Bonds on the corporate bond list of Nasdaq Stockholm within twelve (12) months after the issue date of the Bonds. It is further the Company's intention to complete such listing within thirty (30) calendar days after the issue date of the Bonds, and if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm within sixty (60) calendar days after the issue date of the Bonds, each bondholder shall have a right of prepayment

(put option) of its Bonds. However, there is a risk that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on a regulated market, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained 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 they 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.

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 Company's and 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, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Company's operating results, financial position or prospects.

Currency risk

The Bonds will be denominated and payable in SEK. If investors 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. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments 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 Company 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.

Dependence on subsidiaries

A significant part of the Group's assets and revenues relate to the Company's subsidiaries. Accordingly, the Company may be dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation's indebtedness. Should the Company not receive sufficient income from the subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

Structural subordination and insolvency of subsidiaries

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

Unsecured obligations

The Bonds represent an unsecured obligation of the Company. This means that in the event of bankruptcy, re-organization or wind-up of the Company, the holders of the Bonds normally receive payment after any priority creditors have been fully paid.

Each investor should be aware that there is a risk that an investor in the Bonds loses all or part of their investment if the Company becomes bankrupt, carries out a re-organization or is wound-up.

Risks related to early redemption and put option

Under the Terms and Conditions, the Company 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 bondholders have the right to receive an early redemption amount, which exceeds the nominal amount of the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if (i) an event or series of events occur whereby one or more persons (other than the main shareholder), acting together, acquire control over the Company and where "control" means acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Company, 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 Company, (ii) the Company's shares are not listed or admitted to trading on Nasdaq Stockholm or any other regulated market, or if the Company's shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive banking days or (iii) the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other regulated market) within sixty (60) calendar days after the issue date for the Bonds. There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, *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 Company and bondholders' representation

In accordance with the Terms and Conditions, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own

against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and/or guarantee 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 a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Bondholders' Meetings

The Terms and Conditions includes certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allows 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 Company 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 Company has not registered the Bonds under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is each potential investor's obligation to ensure, at own cost and expense, 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.

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

The Bonds will be affiliated with Euroclear Sweden's account-based system, and no physical Bonds will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear Sweden's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear Sweden's account-based system, which is a factor that the Company cannot control. If Euroclear Sweden's account-based system would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.

Amended or new legislation

This Prospectus and the Terms and Conditions are based on Swedish law in force at their respective date of issuance. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There

is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Conflict of interests

The issuing agent and the manager have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise as a result of the issuing agent and the manager having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Responsible for the information in the Prospectus

The Company issued the Bonds on 23 May 2017. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company 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 Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective 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 is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. 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 omissions likely to affect its import.

Stockholm on 14 June 2017

QLIRO GROUP AB (PUBL)

The board of directors

The Bonds in brief

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

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

Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Issuer. The Issuer resolved to issue the Bonds on 8 May 2017. The purpose of the issuance of Bonds was to raise funds to be used towards general corporate purposes of the Group, which may include equity contributions to Qliro F.S. The First Issue Date for the Bonds was 23 May 2017 and the Bonds will mature on 23 May 2020.

The aggregate nominal amount of the Bonds is maximum SEK 500,000,000 represented by Bonds denominated in SEK with ISIN SE0009779812, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent. of the Nominal Amount. As of the date of this Prospectus, SEK 250,000,000 of the bond loan has been issued.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system.

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

The Issuer shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased in accordance with Clause 10 “*Redemption and repurchase of the Bonds*” or terminated in accordance with Clause 12 “*Termination of the Bonds*” of the Terms and Conditions.

The Issuer may choose to redeem all, but not only some, of the Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the applicable Call Option Price together with accrued but unpaid interest (see further Clause 10.3 “*Early voluntary redemption by the Issuer (call option)*” of the Terms and Conditions).

Upon a Change of Control Event, De-listing Event or a Listing Failure occurring, each Holder has a right of pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 10.4 “*Mandatory repurchase due to a*

Change of Control Event, De-listing Event or Listing Failure (put option)” of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

The Bonds bear interest from, but excluding, the First Issue Date or, in case of Subsequent Bonds, the Interest Payment Date falling immediately prior to their issuance up to, and including, the Relevant Redemption Date at a floating rate of STIBOR (3 months) + 4.80 per cent. *per annum*. Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Payment Dates are 23 February, 23 May, 23 August and 23 November each year (with the first Interest Payment Date on 23 August 2017 and the last Interest Payment Date being the Final Redemption Date or any final redemption date prior thereto). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Nordic Trustee & Agency AB (publ), registration number 556882-1879, P.O. Box 7329, SE-103 90, Stockholm, Sweden is acting as Agent for the Holders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the Holders and without having to obtain any Holder’s consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Holders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent’s satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request of the Agent.

An agreement was entered into between the Agent and the Issuer on or about the Issue Date regarding, *inter alia*, the remuneration payable to the Agent. The rights, obligations and the representation of the Agent are set forth in the Terms and Conditions which are available at the Issuer’s web page, www.qlirogroup.com.

Each of the Issuer, the Agent and Holders representing at least ten per cent. of the Adjusted Nominal Amount, may request that a Holders’ Meeting is convened (see further Clause 15 “*Holders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further Clause 16 “*Written Procedure*” of the Terms and Conditions). Such Holders’ Meeting or Written Procedure may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall firstly be applied towards payment of all costs and expenses incurred by and any remuneration payable to the Agent under the Terms and Conditions and the Agent Agreement,

secondly in or towards payment of accrued but unpaid Interest under the Bonds, thirdly in or towards payment of any unpaid principal under the Bonds and fourthly in or towards payment of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Issuer.

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

To simplify trading in the Bonds, the Issuer has undertaken to list the Bonds on Nasdaq Stockholm. If the Bonds issued in the Initial Bond Issue have not been listed on Nasdaq Stockholm within 30 calendar days after the Issue Date, the Bonds are subject to prepayment at the option of each Holder (put option). Further, if the Bonds issued in the Initial Bond Issue have not been listed on Nasdaq Stockholm within twelve months, or if Bonds issued in a Subsequent Bond Issue have not been listed on Nasdaq Stockholm within ten Business Days, from the relevant issue date, an Event of Default has occurred, which could lead to an acceleration of the Bonds, resulting in the Issuer having to repay the Holders at the applicable Call Option Price together with accrued but unpaid Interest.

The number of Bonds issued in the Initial Bond Issue being admitted to trading if the application for listing of the Bonds on Nasdaq Stockholm is approved, is 250 (however, additional Bonds may be admitted to trading pursuant to this Prospectus as a result of any Subsequent Bond Issue). The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is expected to be on or about 16 June 2017. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 150,000.

The Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions. For the avoidance of doubt, such Subsequent Bonds may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

The Company and its operations

Introduction

Qliro Group AB (publ) is a public limited liability company registered in Sweden with registration number 556035-6940, having its registered address at P.O. Box 195 25, SE-104 32, Stockholm, Sweden. The Company was formed on 1 December 1936 and registered with the Swedish Companies Registration Office on 11 December 1936. However, the Group's current business started in 1999. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

Share capital, shares, ownership structure and governance

According to its articles of association, the Company's share capital shall be no less than SEK 200,000,000 and not more than SEK 800,000,000 divided into no less than 100,000,000 shares and not more than 400,000,000 shares. As of the date of this Prospectus, the Company's share capital amounts to SEK 300,889,558 divided among 149,269,779 ordinary shares and 1,175,000 class C shares. The shares are denominated in SEK.

The Company's ordinary shares are listed at Nasdaq Stockholm Mid Cap. As of 31 March 2017, the fifteen largest shareholders of the Company represented 62.4 per cent. of the capital and 62.9 per cent. of the votes in the Company, and their respective holdings are set out in the table below.

Shareholder	Holding in per cent.*	Number of shares
Kinnevik	28.3%	42,613,642
Oppenheimer Fonder	5.8%	8,797,511
Rite Ventures	5.1%	7,620,000
Avanza Pension	3.7%	5,592,903
Nordnet Pensionsförsäkring	3.7%	5,512,501
Henderson Global Investors	2.5%	3,782,372
Lancelot Fonder	2.2%	3,360,000
Öhman Fonder	2.1%	3,215,735
Origo Fonder	2.1%	3,084,417
Humle Fonder	1.6%	2,400,000
Hartford Funds Management Compan	1.3%	1,976,699
Thomas Krishan	1.3%	1,904,131
GoMobile nu AB	1.1%	1,671,330
Sune Mordenfeld	0.9%	1,282,412
Dimensional Fund Advisors	0.7%	1,112,249
* The Company holds 1,175,000 class C shares as treasury shares. Shares held by the Company may not be represented at general meetings of shareholders. Practically, this means that each shareholder's ownership in terms of voting right is slightly higher than her/his ownership in terms of equity.		

The Company's governance is based on its articles of association, the Swedish Companies Act, the listing rules of Nasdaq Stockholm, the Swedish Code of Corporate Governance and other relevant Swedish and international regulations. The shareholders exercise their voting rights at general meetings, e.g. with regard to the composition of the Board of Directors of Qliro Group and election of external auditors. The main shareholder's influence is limited by the provisions of the Companies Act on minority rights.

Business and operations

The Group is a leading e-commerce group in the Nordic region. Since the start in 1999, the Group has expanded and broadened its product portfolio and is now a leading e-commerce player, selling a wide range of products through CDON Marketplace as well as fashionable clothing and accessories through Nelly and sports nutrition and related products through Gymgrossisten. The Group also operates Qliro Financial Services which provides payment solutions, savings accounts and consumer credits. The Group's operations are divided into five different segments: CDON.com, Nelly, Gymgrossisten, Lekmer and Qliro Financial Services, which are further described below.

CDON.com

CDON.com is an online store with a wide range of products sold directly by CDON, including e.g. home electronics, sport and leisure, furniture and toys. CDON Marketplace, launched in 2013, also enables external merchants to sell their products through the CDON platform. CDON Marketplace has focused on complementing the product range in order to have an as extensive assortment as possible. CDON.com has online stores in Sweden, Norway, Denmark and Finland.

Nelly

The operations in Nelly are conducted through the online stores Nelly.com and NLYman.com, which sell clothes and accessories online. Through Nelly, the Group resells products from around 700 different external brands as well as the own brand NLY. Nelly.com and NLYman.com is established in Sweden, Norway, Denmark, Finland, Germany, the Netherlands, the UK, France, Belgium, Poland and also through an EU website and a Global website.

Gymgrossisten

The operations in the Gymgrossisten segment are conducted through the online stores Gymgrossisten.com in Sweden and Norway, Fitnessstukku.fi in Finland, Bodystore.dk in Denmark and Gymsector.com for Austria and most other EU countries; these stores mainly sell nutritional supplements and fitness related products online. In addition to online sales, Gymgrossisten also sells its products through physical franchised retail stores in Sweden, Norway and Finland. The product range includes Gymgrossisten's own branded products as well as several external brands. Further, the Swedish online store Bodystore.com, which is an online health products shop, is also part of the segment. Fitness Market, which distributes nutritional supplements to the grocery trade, is also part of the Gymgrossisten segment.

Lekmer

Lekmer is an online retailer for children and young families in the Nordic countries, focused on baby products, children's clothes, toys, children's furnishings and home décor. The company has online stores in Sweden, Norway, Denmark and Finland, as well as a brick and mortar store in Barkarby, Sweden. Lekmer is currently under divestment.

Qliro Financial Services

Qliro Financial Services offers payment solutions to e-commerce website operators that makes it more convenient for customers to shop online and simplifies the collection process. The payment solutions offered by Qliro Financial Services include invoice, partial payments and one-step payment through QliroClick. As of March 2017, Qliro Financial Services became a credit market company under the supervision of the Swedish Financial Supervisory Authority and as of May 2017, Qliro Financial Services launched savings accounts with state-provided insurance in Sweden. With its credit market license Qliro is able to offer its payment solutions in Norway and is as of the date of this Prospectus contemplating an expansion. Qliro Financial Services offers online payment solutions in Sweden, Denmark and Finland.

Litigation

As mentioned in the risk factor “Tax risks” above, the Finnish Customs authorities are investigating CDON AB’s subsidiary, Åland-based CDON Alandia AB, on suspicion of tax fraud.

In late 2015, the Finnish Tax Administration, had, pertaining to the financial year 2012, decided to impose an additional tax of approximately EUR 3.8 million and a tax surcharge of approximately EUR 1.9 million on CDON Alandia AB. Pending the tax dispute ruling, CDON Alandia AB has paid EUR 5.9 million including penalty interest at the request of the Åland authorities attributable to the tax claims. The investigation is still ongoing and the tax dispute is pending in the Helsinki Administrative Court.

There is a risk that CDON Alandia AB and/or its directors are sentenced for tax fraud and/or imposed significant additional taxes.

Further, as mentioned in the risk factors “Structural measures and acquisitions” and “Disputes” above, the Group has made a number of acquisitions and divestitures over the years and there is always a risk that such transactions lead to disputes, litigations or settlements.

Other than as stated above, the Company has not, during the previous twelve months, been and is not aware of any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company’s and/or the Group’s financial position or profitability.

Material agreements

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company’s ability to meet its obligations to the bondholders.

Credit rating

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

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

In March 2017, the Company's subsidiary Qliro AB received a license from the Swedish Financial Supervisory Authority to operate as a credit market company, which *e.g.* enables Qliro AB to launch in Norway and to introduce new digital financial services. In May 2017, Qliro AB expanded its consumer offering by launching savings accounts with state-provided deposit insurance in Sweden.

In April 2017, the Company announced that it has entered into an agreement to sell its subsidiary Lekmer AB to Babyshop Sthlm Holding AB. The enterprise value of Lekmer AB in the transaction is SEK 90,000,000.

Further, in May 2017, the Company announced that Members.com, a shopping club within the Nelly segment, will be divested to Campadre for an initial upfront consideration of about SEK 10,000,000 plus an additional conditional deferred consideration of up to SEK 4,200,000.

Except for as mentioned above and the issuance of the Bonds, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

Shareholders' agreements

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.

Board of directors, senior management and auditors

The business address for all members of the board of directors and the senior management is: Qliro Group AB (publ), Sveavägen 151, P.O. Box 195 25, SE-104 32 Stockholm, Sweden. The board of directors of the Company currently consists of seven members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors

Lars-Johan Jarnheimer

Born 1960 and of Swedish nationality. Member of the board of directors since 2010 and chairman of the board of directors since 2012. Current assignments outside the Group include chairman and board member of INGKA Holding B.V. (the parent company of the IKEA Group), Egmont International Holding A/S and Arvid Nordquist Handelsaktiebolag and board member of SAS AB and Elite Hotels (SSRS Holding Aktiebolag).

Christoffer Häggblom

Born 1981 and of Finnish nationality. Member of the board of directors of the Company since 2017. Current assignments outside the Group include founder and managing partner of Rite Ventures, chairman and board member of Verkkokauppa and board member of Nebula, Lemonsoft, and Acervo.

Caren Genthner-Kappesz

Born 1970 and of German nationality. Member of the board of directors of the Company since 2016. Current assignments outside the Group include CEO of Glossybox (Germany) and deputy director of the board of Glossybox Sweden AB.

Erika Söderberg Johnson

Born 1970 and of Swedish nationality. Member of the board of directors of the Company since 2017. Current assignments outside the Group include board member of SAAB Aktiebolag, MedCap AB (publ) and SECTRA Aktiebolag and CFO of Biotage AB.

Jessica Thorell

Born in 1983 and of Swedish nationality. Member of the board of directors of the Company since 2017. Current assignments outside the Group include investment manager at Kinnevik.

Daniel Mytnik

Born in 1971 and of Swedish nationality. Member of the board of directors of the Company since 2014. Current assignments outside the Group include partner at Ventiga Capital and chairman and board member of Nordic Service Partners Holding AB, Etib Holding I AB and Etib Holding II AB.

Peter Sjunnesson

Born in 1959 and of Swedish nationality. Member of the board of directors of the Company since 2015. Current assignments outside the Group include board member of Lindorff AB.

Senior management*Marcus Lindqvist*

Marcus Lindqvist is CEO of the Company.

Mathias Pedersen

Mathias Pedersen is CFO of the Company.

Magnus Fredin

Magnus Fredin is head of CDON (CEO of CDON AB). Current assignments outside the Group include CEO and board member of Harrysgården AB and board member of Cool Company Skandinavien AB.

Gustav Hasselgren

Gustav Hasselgren is head of Gymgrossisten (CEO of Health and Sports Nutrition Group HSNG AB).

Patrik Illerstig

Patrik Illerstig is head of Qliro Financial Services (CEO of Qliro AB).

Ludvig Anderberg

Ludvig Anderberg is CFO and acting head of Nelly (acting CEO of NLY Scandinavia AB).

Anna Ullman Sersé

Anna Ullman Sersé is head of Business Development.

Niclas Lilja

Niclas Lilja is deputy head of Communications.

Oscar Tjärnberg

Oscar Tjärnberg is head of Lekmer (CEO of Lekmer AB). Current assignments outside the Group include chairman and board member of ComplyiT AB and board member of Sentar Fastigheter AB.

Auditors

KPMG AB has been the Company's auditor from 1997 and onwards. Cronie Wallquist has been the auditor-in-charge from 2013 to May 2017 (*i.e.* for the period covered by the historical financial information incorporated into this Prospectus by reference). Since May 2017, Mårten Asplund is the auditor in charge. Both Cronie Wallquist and Mårten Asplund are members of FAR. The business address to KPMG AB is KPMG AB, Box 16106, SE-103 23 Stockholm, Sweden.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

Conflicts of interests

None of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Although there are currently no conflicts of interest than mentioned in the above section, it cannot be excluded that conflicts of interest may come to arise between companies in which members of

the board of directors and members of the senior management have duties, as described above, and the Company.

Financial interests

Several members of the board of directors and the senior management have a financial interest in the Company through their, direct and indirect, holdings of shares in the Company.

Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ending 31 December 2015 and 31 December 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

The Company's consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 by reference.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page
Financial information regarding the Company and its business for the financial year ended 31 December 2015	Qliro Group AB (publ)'s consolidated annual report for the financial year ended 31 December 2015	<ul style="list-style-type: none"> - 6–21 (Director's report), - 32 (Consolidated income statement), - 32 (Consolidated statement of comprehensive income) - 33–34 (Consolidated statement of financial position), - 35 (Consolidated statement of changes in equity), - 36 (Consolidated statement of cash flow) - 37 (Company's income statement) - 37 (Company's statement of comprehensive income) - 38–39 (Company's balance sheet) - 41 (Company's cash flow statement) - 42–74 (Notes)
Auditor's report for the financial year ended 31 December 2015	Qliro Group AB (publ)'s consolidated annual report for the financial year ended 31 December 2015	- 76–77 (Auditor's report)
Financial information regarding the Company and its business for the financial year ended 31 December 2016	Qliro Group AB (publ)'s consolidated annual report for the financial year ended 31 December 2016	<ul style="list-style-type: none"> - 5–21 (Director's report), - 32 (Consolidated income statement), - 33 (Consolidated statement of comprehensive income) - 34–35 (Consolidated statement of

	financial position),	
	- 36 (Consolidated statement of changes in equity),	
	- 37 (Consolidated statement of cash flow)	
	- 38 (Company's income statement)	
	- 38 (Company's statement of comprehensive income)	
	- 39–40 (Company's balance sheet)	
	- 41 (Company's statement of changes in equity)	
	- 42 (Company's cash flow statement)	
	- 43–83 (Notes)	
Auditor's report for the financial year ended 31 December 2016	Qliro Group AB (publ)'s consolidated annual report for the financial year ended 31 December 2016	- 85–88 (Auditor's report)

The abovementioned reports are available in electronic form on the Company's web page www.qlirogroup.com (<http://www.qlirogroup.com/en/Investors/Annual-Reports/>), and can also be obtained from the Company in paper format in accordance with section "*Documents available for inspection*" below.

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, www.qlirogroup.com.

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format upon request during the validity period of this Prospectus at the Company's head office.

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus, including historical financial information for the Company and its subsidiaries

Terms and Conditions for the Bonds

**TERMS AND CONDITIONS FOR
QLIRO GROUP AB (PUBL)
MAXIMUM SEK 500,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2017/2020
ISIN: SE0009779812**

Issue Date: 23 May 2017

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons

**TERMS AND CONDITIONS FOR
QLIRO GROUP AB (PUBL)
MAXIMUM SEK 500,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2017/2020
ISIN: SE0009779812**

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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

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

“**Bond**” means debt instruments (*Sw. skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

“**Book Equity**” means the aggregate book value of the Group’s total equity on a consolidated basis according to the latest Financial Report.

“**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 Price**” means:

- (a) the Make Whole Price if the call option is exercised before the First Call Date;
- (b) 102.40 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling twenty four (24) months after the Issue Date;
- (c) 101.44 per cent. of the Nominal Amount if the call option is exercised on or after the date falling twenty four (24) months after the Issue Date up to (but excluding) the date falling thirty (30) months after the Issue Date;
- (d) 100.48 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the Issue Date up to (but excluding) the Final Redemption Date; or
- (e) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty three (33) months after the Issue Date up to (but excluding) the Final Redemption Date, provided however that the early redemption pursuant to this paragraph (e) is financed in full by way of the Issuer issuing Market Loan(s) in which the Holders shall have the possibility to participate by way of roll-over, however subject to the Issuer’s decision on allocation.

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

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

“**Compliance Certificate**” means a certificate, substantially in the form set out in Schedule 1, signed by the Issuer certifying (i) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it and, (ii) if provided in connection with a Financial Report being made available, or the incurrence of any Subsequent Bond Issue or Market Loan issued by the Issuer, which requires that the Maintenance Test or the Incurrence Test is

met (as applicable) and including calculations and figures in respect of the ratio of Book Equity to Total Assets.

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

“**De-listing Event**” means the situation where (i) the shares in the Issuer are not listed and admitted to trading on a Regulated Market or (ii) trading in the shares in the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days.

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

“**Final Redemption Date**” means 23 May 2020.

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (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);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)–(f).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 11.9.1 (a) and (b).

“**First Call Date**” means the date falling eighteen (18) months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

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

“**Holder**” 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.

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

“**Incurrence Test**” is met if the ratio of Book Equity to Total Assets is not less than thirty (30.00) per cent., calculated in accordance with the Incurrence Test Calculation Principles.

“**Incurrence Test Calculation Principles**” means:

- (a) that the Incurrence Test shall be tested in connection with the incurrence of any Subsequent Bond Issue or Market Loan issued by the Issuer on the basis of the latest quarterly interim unaudited consolidated Financial Report; and
- (b) that the calculation of the Incurrence Test shall include the new Financial Indebtedness *pro forma* and be adjusted so that any entity to be acquired with the proceeds from new Financial Indebtedness shall be included *pro forma*.

“**Initial Bond**” means any Bond issued on the Issue Date.

“**Initial Bond Issue**” has the meaning set forth in Clause 2.1.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1–9.3.

“**Interest Payment Date**” means 23 February, 23 May, 23 August and 23 November 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 (with the first Interest Payment Date on 23 August 2017 and the last Interest Payment Date being the final Redemption Date (or any final redemption date prior thereto)).

“**Interest Period**” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a floating rate of STIBOR (three (3) months) + 4.80 per cent. *per annum*.

“**Issue Date**” means 23 May 2017.

“**Issuer**” means Qliro Group AB (publ), reg. no. 556035-6940, P.O. Box 19525, SE-104 32 Stockholm, Sweden.

“Issuing Agent” means ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Listing Failure” means the situation where the Bonds issued in the Initial Bond Issue have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the Issue Date.

“Main Shareholder” means Kinnevik AB, reg. no. 556047-9742, and its Affiliates.

“Maintenance Test” is met if the ratio of Book Equity to Total Assets is not less than twenty-five (25.00) per cent.

“Make Whole Price” means an amount equal to the sum of:

- (a) the present value on the relevant Record Date of 102.40 per cent. of the 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 interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders);

both present values under paragraphs (a) and (b) above calculated by using a discount rate of fifty (50.00) basis points over the comparable Swedish Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

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

“Material Adverse Effect” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“Material Group Company” means the Issuer or a Subsidiary representing more than ten (10.00) per cent. of either (i) the Total Assets (for the avoidance of doubt, excluding any intra-group transactions) or (ii) the net profit of the Group according to the latest consolidated Financial Report.

“Nasdaq Stockholm” means the Regulated Market of Nasdaq Stockholm AB, reg. no 556420-8394, SE-105 78 Stockholm, Sweden.

“Net Proceeds” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which, after deduction has been made for the Transaction Costs payable by the Issuer to the Issuing Agent and the bookrunner for the services provided in relation to the

placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

“**Nominal Amount**” has the meaning set forth in Clause 2.1.1.

“**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.

“**Qliro F.S.**” means the Group’s business area financial services.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no interest accrues on such day).

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 13 (*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 in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

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

“**Restricted Payment**” has the meaning set forth in Clause 11.1 (*Distributions*).

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and 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 any pledge, charge, lien or other security interest securing any obligation of any person or any agreement or arrangement having a similar effect.

“**SEK**” means the lawful currency of Sweden.

“**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 SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four (4) decimal places) which results from interpolating on a linear basis between (i)

the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or

- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four (4) decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero (0), STIBOR will be deemed to be zero (0).

“**Subsequent Bond Issue**” has the meaning set forth in Clause 2.1.2.

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

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Record Date for the Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the First Call Date; provided, however, that if the period from the Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Total Assets**” means the aggregate book value of the Group’s total assets on a consolidated basis according to the latest Financial Report.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the listing of the Bonds (including any Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market).

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

1.2 Construction

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

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

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

1.2.3 When ascertaining whether a limit or threshold specified in 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 (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

2.1.1 The aggregate amount of the bond loan will be an amount of up to SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 250,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount. The ISIN

for the Bonds is SE0009779812. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,000,000.

- 2.1.2 The Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000, always provided that the Incurrence Test (calculated *pro forma* including such issue) is met. Any Subsequent Bonds shall be issued subject to the same Terms and Conditions as the Initial Bonds. The price of Subsequent Bonds may be set at a discount or at a higher price than the Nominal Amount.
- 2.2 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.3 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.4 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

4. USE OF PROCEEDS

The Net Proceeds shall be used for general corporate purposes of the Group, which may include equity contributions to Qliro F.S.

5. THE BONDS AND TRANSFERABILITY

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.4 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 Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of

business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

- 5.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

6. BONDS IN BOOK-ENTRY FORM

- 6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 6.2 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 Central Securities Depositories and Financial Instruments Accounts Act.
- 6.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.4 For the purpose of or in connection with any Holders' 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. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 6.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

7. RIGHT TO ACT on behalf of A HOLDER

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 7.2 A Holder 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 these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.1 and 7.2 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.

8. PAYMENTS IN RESPECT OF THE BONDS

- 8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions 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 Holder 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 Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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 of that the payment was being made to a Person not entitled to receive such amount.
- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

9. INTEREST

- 9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, 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.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by three hundred and sixty (360) (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions 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 (200.00) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

10.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

10.3 Early voluntary redemption by the Issuer (call option)

- 10.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Price together with accrued but unpaid Interest.
- 10.3.2 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

10.4.1 Upon a Change of Control Event, a De-listing Event or a Listing Failure occurring, each Holder shall have the right to request that all, but not only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 11.9.1 (e). The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, De-listing Event or Listing Failure (as applicable).

10.4.2 The notice from the Issuer pursuant to Clause 11.9.1 (e) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder 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 11.9.1 (e). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.

10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.

10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be disposed of in accordance with Clause 10.2 (*The Group Companies' purchase of Bonds*).

11. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11.

11.1 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans or (v) make any other similar distributions or transfers of value (*Sw. värdeöverföringar*) to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (a) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
- (b) the Issuer if such Restricted Payment constitute repurchase or redemption of own shares and such repurchased or redeemed shares shall be used to facilitate any long-term incentive programme (including any delivery of shares under such programme) offered by the Issuer in the ordinary course of business and adopted by the general meeting of the Issuer.

11.2 **Listing of Bonds**

The Issuer shall ensure (i) that the Bonds issued in the Initial Bond Issue are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the Issue Date, (ii) that such Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (iii) that, upon any Subsequent Bond Issue, the volume of Bonds listed on the relevant Regulated Market promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

11.3 **Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date.

11.4 **Market Loans**

The Issuer shall not (i) issue any Market Loan unless the Incurrence Test (calculated *pro forma* including such issue) is met, (ii) issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Redemption Date, (iii) create or allow to subsist, retain, provide, prolong or renew any Security (including guarantee) over any of its/their assets (present or future) to secure any Market Loan issued by the Issuer or (iv) repurchase any Market Loan, or part thereof, issued by the Issuer. For the avoidance of doubt, the limitations set forth in this Clause 11.4 shall not apply to any Subsequent Bond Issue.

11.5 **Maintenance Test**

11.5.1 The Issuer shall ensure that the Maintenance Test is met.

11.5.2 The Maintenance Test shall be tested quarterly on the basis of the latest quarterly interim unaudited consolidated Financial Report. The first test date for the Maintenance Test shall be 30 June 2017.

11.6 **Disposals of assets**

11.6.1 The Issuer shall not, and shall procure that none of the Subsidiaries will, sell, transfer or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the

Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at arm's length terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction in accordance with Clause 11.9.2.

11.6.2 For the avoidance of doubt, the disposal of all shares in Lekmer AB and Health and Sports Nutrition Group HSNG AB shall always be considered as a permitted disposal of assets and the Issuer shall not be obliged to notify the Agent about such disposal.

11.7 **Dealings with related parties**

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

11.8 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the other Group Companies, (i) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

11.9 **Financial reporting etcetera**

11.9.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements 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, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available 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, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the incurrence of any Subsequent Bond Issue or Market Loan issued by the Issuer and (iii) at the Agent's request, within twenty (20) calendar days from such request;

- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, a De-listing Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event, a Listing Failure or 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 termination or a combination of any of the foregoing) constitute an Event of Default), and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.9.2 The Issuer shall notify the Agent of any transaction referred to in Clause 11.6 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

11.10 **Agent Agreement**

11.10.1 The Issuer shall, in accordance with the Agent Agreement:

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

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

11.11 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

12. **TERMINATION OF THE BONDS**

12.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 12.6 or 12.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under paragraph (a) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross- acceleration:**
 - (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
 - (ii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;
- (a) provided however that the amount of Financial Indebtedness referred to under paragraph (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors

- (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;
- (f) **Mergers and demergers:** A decision is made that any Material Group Company shall be merged or demerged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged;
- (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 20,000,000 and is not discharged within thirty (30) calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in Clause 12.1 (f) (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 11.6 (*Disposals of assets*) and provided, in relation to a discontinuation of a Material Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

12.2 The Agent may not terminate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not

prevent termination for payment prematurely on the ground mentioned under Clause 12.1 (d).

- 12.3 If the right to terminate 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 termination to be deemed to exist.
- 12.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 12.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 12.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 12.1 and provide the Agent with all documents that may be of significance for the application of this Clause 12.
- 12.5 The Issuer is only obliged to inform the Agent according to Clause 12.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 12.4.
- 12.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 12.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 14 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 14 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.

- 12.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 12, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 12.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 12 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 14 (*Decisions by Holders*).
- 12.10 If the Bonds are declared due and payable in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price, together with accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

- 13.1 If the Bonds have been declared due and payable in accordance with Clause 12 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
 - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1.
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds according to the Escrow Funds Act and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

14. DECISIONS BY HOLDERS

- 14.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.

- 14.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

- 14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- 14.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

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

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

- 14.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:

- (a) waive a breach of or amend an undertaking set out in Clause 11 (*Special undertakings*);
- (b) a mandatory exchange of Bonds for other securities;

- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
 - (e) amend the provisions in this Clause 14.5.
- 14.6 Any matter not covered by Clause 14.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 17.1 (a), (b) or (c)) or a termination of the Bonds.
- 14.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent. of the Adjusted Nominal Amount:
 - (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 14.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 14.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 14.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 14.10 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not

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

- 14.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 14.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

15. HOLDERS' MEETING

- 15.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 15.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 15.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 15.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information

from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.

- 15.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 15.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

16. WRITTEN PROCEDURE

- 16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(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 Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Holder with a copy to the Agent.
- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (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 Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 16.1), (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 Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 16.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 16.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 14.5 and 14.6 have been received in a Written Procedure, the relevant decision

shall be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend in writing these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 14 (*Decisions by Holders*).

17.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

17.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

17.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

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

- 18.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.
- 18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 18.2 **Duties of the Agent**
- 18.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 18.2.2 The Agent may assume that all documentation delivered to it is accurate, legally valid, enforceable, correct and true, and the Agent does not have to verify or assess the contents of any such documentation. The Agent is not acting as an advisor to the Holders or the Issuer.
- 18.2.3 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 18.2.4 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 18.2.5 The Agent is always entitled to delegate its duties to other professional parties without having to first obtain any consent from the Issuer or the Holders, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 18.2.6 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders 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 these Terms and Conditions and the Agent Agreement.

- 18.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 18.2.8 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 18.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 18.2.10 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of these Terms and Conditions, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 18.2.11 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.13 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 18.2.12.

18.3 **Limited liability for the Agent**

- 18.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14 (*Decisions by Holders*) or a demand by Holders given pursuant to Clause 12.1.
- 18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

18.4 **Replacement of the Agent**

- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.3 A Holder (or Holders) representing at least ten (10.00) 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint

a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agent Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

20. APPOINTMENT AND REPLACEMENT OF THE CSD

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list

of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

21. NO DIRECT ACTIONS BY HOLDERS

- 21.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, 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 or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 18.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.13 before a Holder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

22. TIME-BAR

- 22.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred 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 Holders' right to receive payment has been time-barred and has become void.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar 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 the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

23.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

(a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, and if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;

(b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, to such address as notified by the Issuer to the Agent from time to time, and if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and

(c) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

23.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 23.1.1.

23.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 10.3, 10.4, 11.9.1 (e), 12.6, 13.4, 14.15, 15.1, 16.1, 17.3, 18.2.13 and 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such

information before it can lawfully send a notice containing such information to the Holders, the Agent shall be entitled to issue such press release.

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

24.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25. LISTING

The Issuer intends to list the Bonds issued in the Initial Bond Issue within thirty (30) calendar days, and has undertaken to list such Bonds within twelve (12) months, after the Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 11.2 (*Listing of the Bonds*). Further, if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm within sixty (60) calendar days after the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure (put option)*).

26. GOVERNING LAW AND JURISDICTION

26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

26.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 26.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

26.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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